

SENATE BILL No. 108

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10.2; IC 5-10.3; IC 5-10.5-4; IC 8-1.5-3-7; IC 8-10-5-6.5; IC 8-22-3-11; IC 16-20-1-15.5; IC 16-22; IC 16-23-1-25; IC 16-24-1-12; IC 36-7; IC 36-8-10; IC 36-9-3; IC 36-9-4-37.

Synopsis: Public pensions. Provides that, after June 30, 2014, a political subdivision that is eligible to participate in the public employees' retirement fund (PERF) shall provide retirement, disability, and survivor benefits using PERF to its employees employed in positions covered by PERF. Permits a political subdivision that established a pension or retirement system before July 1, 2014, to continue that pension or retirement plan for employees who are participants in the pension or retirement plan on July 1, 2014. Requires an individual who becomes a state employee after June 30, 2014, in a position that would otherwise be eligible for membership in PERF to become a member of the defined contribution (ASA only) plan (plan). Permits a political subdivision to elect to participate in the plan. Requires the board of trustees (board) of the Indiana public retirement system (system) to provide retiring and retired PERF and teachers' retirement fund (TRF) members the option of converting the member's annuity savings account (ASA) into an annuity that is administered and managed by the system's employees. Requires the board to set in January and June each year, beginning in July 2014, the interest rate (annuity interest rate) used to determine the annuity amount purchasable by a PERF or TRF member who elects to purchase an

(Continued next page)

Effective: Upon passage.

Charbonneau

January 8, 2014, read first time and referred to Committee on Pensions and Labor.



Digest Continued

annuity provided by the amount credited to the member in the member's ASA. Provides that the annuity interest rate is equal to the average of the rate of return earned by the retirement allowance accounts of PERF and TRF during the six immediately preceding calendar years, except that the annuity interest rate may not be less than: (1) 6.5% in 2014; (2) 5.5% in 2015; and (3) 4.5% in 2016. Makes conforming changes.



Introduced

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 108

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-10.2-2-1, AS AMENDED BY P.L.23-2011,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 1. (a) This article applies to the Indiana state
4 teachers' retirement fund and the public employees' retirement fund.
5 Each retirement fund covered by this article is a separate retirement
6 fund managed by the board under the fund's retirement fund law. The
7 board shall make and publish regulations which are appropriate to the
8 efficient administration of this article. The obligations of the state and
9 political subdivisions for benefit payments are specified in each
10 retirement fund law.
11 (b) The Indiana public retirement system is an independent body
12 corporate and politic. The Indiana public retirement system is not a
13 department or agency of the state but is an independent instrumentality
14 exercising essential government functions.

2014

IN 108—LS 6512/DI 102



(c) The benefits specified in this article and the benefits from the Social Security Act provide the retirement, disability, and survivor benefits for public employees **who are employees of the state, employees of a participating political subdivision,** and teachers. **Except as provided in subsection (d), after June 30, 2014, a political subdivision that is eligible to participate in the public employees' retirement fund and elects to provide pension benefits to employees in positions that are included in membership in the public employees' retirement fund shall provide retirement, disability, and survivor benefits to those employees as participants in the public employees' retirement fund.**

(d) ~~However, this article does not prohibit~~ A political subdivision ~~from establishing that:~~

(1) ~~established and providing before January 1, 1995; July 1, 2014, and continuing continues~~ to provide after ~~January 1, 1995; June 30, 2014,~~ retirement, disability, and survivor benefits for the public employees of the political subdivision **using a pension or retirement plan** independent of this article; ~~if the political subdivision took action before January 1, 1995; and~~

(2) was not a participant in the public employees' retirement fund on ~~January 1, 1995; July 1, 2014,~~ under this article or IC 5-10.3; **may continue to provide retirement, disability, and survivor benefits using that pension or retirement plan to employees who are participants in that plan on July 1, 2014. A political subdivision shall provide retirement, disability, and survivor benefits using the public employees' retirement fund for an individual who becomes a full-time employee of the political subdivision after June 30, 2014, in a position that is included in membership in the public employees' retirement fund under IC 5-10.3-7. If the political subdivision discontinues the pension or retirement plan that was established independently of this article and was in effect on July 1, 2014, the employees of the political subdivision who were members of that pension or retirement plan and employed in positions that are included in membership in the public employees' retirement fund under IC 5-10.3-7 shall become members of the public employees' retirement fund under conditions established by the board.**

SECTION 2. IC 5-10.2-4-4, AS AMENDED BY P.L.115-2008, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The computation of benefits under this section is subject to IC 5-10.2-2-1.5.

(b) For retirement benefits payable on and after July 1, 1975, for a



member retired on and after January 1, 1956, the pension (p) is computed as follows:

STEP ONE: Multiply one and one-tenths percent (1.1%) times the average of the annual compensation (aac) and obtain a product.

STEP TWO: To obtain the pension, multiply the STEP ONE product by the total creditable service (scr) completed by the member on the member's retirement date.

Expressed mathematically:

$$p = (.011) \text{ times (aac) times (scr)}$$

(c) Unless the member:

(1) has chosen a lump sum payment under section 2(b) of this chapter;

(2) has elected to withdraw the entire amount in the member's annuity savings account under IC 5-10.2-3-6.5; or

(3) elects to defer receiving in any form the member's annuity savings account under section 2(c) of this chapter;

the annuity is the amount purchasable on the member's retirement date by the amount credited to the member in the annuity savings account.

The amount purchasable is based on actuarial tables adopted by the board under IC 5-10.2-2-10 at an interest rate determined by the board **under IC 5-10.5-4-2.5.**

SECTION 3. IC 5-10.3-6-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. (a) Except as provided by subsection (b), after June 30, 2014, a political subdivision that:**

(1) is eligible to participate in the fund; and

(2) elects to provide pension, disability, and survivor benefits to its employees who are employed in positions that are included in membership in the fund;

shall become a participant in the fund as provided by this chapter.

(b) A political subdivision that provides to the employees of the political subdivision who are employed in positions that are included in membership in the fund a pension or retirement plan that the political subdivision:

(1) established independently of the fund before July 1, 2014; and

(2) continues to provide after June 30, 2014;

is not required to have the employees who are members of that pension or retirement plan on July 1, 2014, become members of the fund.

(c) If a political subdivision described in subsection (b) discontinues the pension or retirement plan established



1 **independently of the fund before July 1, 2014, and in effect on July**
 2 **1, 2014, the employees of the political subdivision who were**
 3 **members of that pension or retirement plan and employed in**
 4 **positions that are included in membership in the fund shall become**
 5 **members of the fund under conditions established by the board.**

6 SECTION 4. IC 5-10.3-6-8 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) As used in
 8 this section, "withdrawing political subdivision" means a political
 9 subdivision that takes an action described in subsection (b).

10 (b) Subject to the provisions of this section, a political subdivision
 11 may ~~do the following:~~

12 ~~(1) Stop its participation in the fund and withdraw all of the~~
 13 ~~political subdivision's employees from participation in the fund.~~

14 ~~(2) Withdraw a departmental, an occupational, or other definable~~
 15 ~~classification of employees from participation in the fund.~~

16 ~~(3) stop the political subdivision's participation in the fund by:~~

17 ~~(A) (1) selling all of the political subdivision's assets; or~~

18 ~~(B) (2) ceasing to exist as a political subdivision.~~

19 (c) The withdrawal of a political subdivision's participation in the
 20 fund is effective on a termination date established by the board. The
 21 termination date may not occur before all of the following have
 22 occurred:

23 (1) The withdrawing political subdivision has provided written
 24 notice of the following to the board:

25 (A) The withdrawing political subdivision's intent to cease
 26 participation.

27 (B) The names of the withdrawing political subdivision's
 28 current employees and former employees as of the date on
 29 which the notice is provided.

30 (2) The expiration of:

31 (A) a ninety (90) day period following the filing of the notice
 32 with the board, for a withdrawing political subdivision that
 33 sells all of the withdrawing political subdivision's assets or that
 34 ceases to exist as a political subdivision; or

35 (B) a two (2) year period following the filing of the notice with
 36 the board, for all other withdrawing political subdivisions.

37 (3) The withdrawing political subdivision takes all actions
 38 required in subsections (d) through (h).

39 (d) With respect to retired members who have creditable service
 40 with the withdrawing political subdivision, the withdrawing political
 41 subdivision must contribute to the fund any additional amounts that the
 42 board determines are necessary to provide for reserves with sufficient



assets to pay all future benefits from the fund to those retired members. The contribution by the withdrawing political subdivision must be made in a lump sum or in a series of payments determined by the board.

(e) A member who is an employee of the political subdivision as of the date of the notice under subsection (c) is vested in the pension portion of the member's retirement benefit. The withdrawing political subdivision must contribute to the fund the amount the board determines is necessary to fund fully the vested benefit. The contribution by the withdrawing political subdivision must be made in a lump sum or in a series of payments determined by the board.

(f) A member who is covered by subsection (e) and who is at least sixty-five (65) years of age may elect to retire under IC 5-10.2-4-1 even if the member has fewer than ten (10) years of service. The benefit for the member shall be computed under IC 5-10.2-4-4 using the member's actual years of service.

(g) With respect to members of the fund who have creditable service with the withdrawing political subdivision and who are not employees as of the date of the notice under subsection (c), the withdrawing political subdivision must contribute the amount that the board determines is necessary to fund fully the service for those members that is attributable to service with the withdrawing political subdivision. The contribution by the withdrawing political subdivision must be made in a lump sum or in a series of payments determined by the board.

(h) The board shall evaluate each withdrawal under this section to determine if the withdrawal affects the fund's compliance with Section 401(a)(4) of the Internal Revenue Code of 1954, as in effect on September 1, 1974. The board may deny a political subdivision permission to withdraw if the denial is necessary to achieve compliance with Section 401(a)(4) of the Internal Revenue Code of 1954, as in effect on September 1, 1974.

SECTION 5. IC 5-10.3-12-1, AS AMENDED BY P.L.54-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Except as provided in subsection ~~(e)~~, **(d)**, this chapter applies to an individual who, on or after the effective date of the plan **and before July 1, 2014:**

(1) becomes for the first time a full-time employee of the state (as defined in IC 5-10.3-7-1(d)):

(A) in a position that would otherwise be eligible for membership in the fund under IC 5-10.3-7; and

(B) who is paid by the auditor of state by salary warrants; and



(2) makes the election described in section 20 of this chapter to become a member of the plan.

(b) Except as provided in subsection (d), an individual who, after June 30, 2014, becomes a full-time employee:

(1) of the state who is paid by the auditor of state by salary warrants; or

(2) of a participating political subdivision; in a position that would otherwise be eligible for membership in the fund under IC 5-10.3-7 becomes a member of the plan.

~~(b)~~ **(c)** Except as provided in subsection ~~(c)~~; **(d)**, this chapter does not apply to an individual who, on or after the effective date of the plan:

(1) becomes for the first time a full-time employee of the state (as defined in IC 5-10.3-7-1(d)) in a position that would otherwise be eligible for membership in the fund under IC 5-10.3-7; and

(2) is employed by:

(A) a body corporate and politic of the state created by state statute; or

(B) a state educational institution (as defined in IC 21-7-13-32).

~~(e)~~ **(d)** The chief executive officer of a body or institution described in subsection ~~(b)~~ **(c)** may elect, by submitting a written notice of the election to the director, to have this chapter apply to individuals who, as employees of the body or institution, become for the first time full-time employees of the state (as defined in IC 5-10.3-7-1(d)) in positions that would otherwise be eligible for membership in the fund under IC 5-10.3-7. An election under this subsection is effective on ~~the~~ **later of:**

~~(i)~~ the date the notice of the election is received by the director.

~~or~~

~~(2) March 1, 2013.~~

~~(d)~~ **(e)** This chapter does not apply to an individual who:

(1) before the effective date of the plan, is or was a member (as defined in IC 5-10.3-1-5) of the fund; or

(2) on or after the effective date of the plan,

~~(A)~~ except as provided in subsection ~~(c)~~; **(d)**, becomes for the first time a full-time employee of the state (as defined in IC 5-10.3-7-1(d));

~~(i)~~ **(A)** in a position that would otherwise be eligible for membership in the fund under IC 5-10.3-7; and

~~(ii)~~ **(B)** who is not paid by the auditor of state by salary warrants. ~~or~~



1 ~~(B) does not elect to participate in the plan.~~

2 SECTION 6. IC 5-10.3-12-1.5 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. (a) Except as provided in**
5 **subsection (c), after June 30, 2014, a political subdivision that**
6 **participates in the fund may elect to have this chapter apply to**
7 **individuals who become for the first time full-time employees of the**
8 **political subdivision in positions that would otherwise be eligible**
9 **for membership in the fund under IC 5-10.3-7.**

10 **(b) To make the election described in subsection (a), a political**
11 **subdivision shall file with the board an ordinance or resolution of**
12 **the governing body specifying by department, occupation, or other**
13 **classification the employees who will become members of the plan.**

14 **(c) An individual who becomes for the first time a full-time**
15 **employee of the political subdivision and is or was a member of the**
16 **fund resumes membership in the fund as provided by IC 5-10.2-3**
17 **and IC 5-10.3-7.**

18 SECTION 7. IC 5-10.3-12-8, AS ADDED BY P.L.22-2011,
19 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 UPON PASSAGE]: Sec. 8. As used in this chapter, "employer" ~~means~~
21 ~~the state; has the meaning set forth in IC 5-10.3-1-2.~~

22 SECTION 8. IC 5-10.3-12-12, AS ADDED BY P.L.22-2011,
23 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 UPON PASSAGE]: Sec. 12. As used in this chapter, "member" means:

25 **(1) before July 1, 2014, an individual who has elected to**
26 **participate in the plan; and**

27 **(2) after June 30, 2014, a full-time employee of:**

28 **(A) the state who is paid by the auditor of state by salary**
29 **warrants; or**

30 **(B) a participating political subdivision;**
31 **in a position that would otherwise be eligible for membership in the**
32 **fund under IC 5-10.3-7.**

33 SECTION 9. IC 5-10.3-12-20, AS ADDED BY P.L.22-2011,
34 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 UPON PASSAGE]: Sec. 20. (a) An individual who, on or after the
36 effective date of the plan, becomes for the first time a full-time
37 employee of the state (as defined in IC 5-10.3-7-1(d)) in a position that
38 would otherwise be eligible for membership in the fund under
39 IC 5-10.3-7 may elect to become a member of the plan. An election
40 under this section:

41 (1) must be made in writing;

42 (2) must be filed with the board, on a form prescribed by the



board; and

(3) is irrevocable.

(b) An individual who does not elect to become a member of the plan becomes a member (as defined in IC 5-10.3-1-5) of the fund.

(c) This section expires July 1, 2014.

SECTION 10. IC 5-10.3-12-20.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 20.5. (a) This section applies after June 30, 2014.**

(b) An individual who becomes a full-time employee of the state who is:

(1) paid by the auditor of state by salary warrants; and

(2) in a position that would otherwise be eligible for membership in the fund under IC 5-10.3-7;

becomes a member of the plan on the date the individual's employment begins.

(c) An individual who becomes a full-time employee of a participating political subdivision in a position that would otherwise be eligible for membership in the fund under IC 5-10.3-7 becomes a member of the plan on the date the individual's employment begins.

SECTION 11. IC 5-10.3-12-23, AS ADDED BY P.L.22-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 23. (a) Each member's contribution to the plan is equal to three percent (3%) of the member's compensation. The ~~state~~ employer shall pay the member's contribution on behalf of each member of the plan each year.**

(b) Member contributions will be credited to the member's account as specified in IC 5-10.2-3.

(c) Although designated as employee contributions, the contributions made under subsection (a) are picked up and paid by the state ~~or participating political subdivision~~ as the employer in lieu of the contributions being paid by the employee in accordance with section 414(h)(2) of the Internal Revenue Code. A member may not receive any amounts paid by the state ~~or participating political subdivision~~ under this section directly instead of having the amounts paid to the plan.

SECTION 12. IC 5-10.3-12-24, AS ADDED BY P.L.22-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 24. (a) ~~The state~~ An employer shall make employer contributions to the plan based on the rate determined under this section.**



(b) The employer's contribution rate for the plan shall be equal to the employer's contribution rate for the fund as determined by the board under IC 5-10.2-2-11(b). The amount credited from the employer's contribution rate to the member's account shall not be greater than the normal cost of the fund. Any amount not credited to the member's account shall be applied to the unfunded accrued liability of the fund as determined under IC 5-10.2-2-11(a)(3) and IC 5-10.2-2-11(a)(4).

(c) ~~The state's~~ **An employer's** minimum contribution under this section is equal to three percent (3%) of the compensation of all members of the plan.

(d) The ~~state~~ **employer** shall submit the employer contributions determined under this section as provided in IC 5-10.2-2-12.5.

SECTION 13. IC 5-10.3-12-25, AS AMENDED BY P.L.6-2012, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) Member contributions and net earnings on the member contributions in the member contribution subaccount belong to the member at all times and do not belong to the ~~state~~. **employer.**

(b) A member is vested in the employer contribution subaccount in accordance with the following schedule:

Years of participation in the plan	Vested percentage of employer contributions and earnings
1	20%
2	40%
3	60%
4	80%
5	100%

For purposes of vesting in the employer contribution subaccount, only a member's full years of participation in the plan may be counted.

(c) The amount that a member may withdraw from the member's account is limited to the vested portion of the account.

(d) A member who attains normal retirement age is fully vested in all amounts in the member's account.

(e) If a member separates from service with the ~~state~~ **employer** before the member is fully vested in the employer contribution subaccount, the amount in the employer contribution subaccount that is not vested is forfeited as of the date the member separates from service.

(f) Amounts forfeited under subsection (e) must be used to reduce the ~~state's~~ **employer's** unfunded accrued liability of the fund as determined under IC 5-10.2-2-11(a)(3) and IC 5-10.2-2-11(a)(4).



(g) A member may not earn creditable service (as defined in IC 5-10.2-3-1(a)) under the plan.

SECTION 14. IC 5-10.3-12-31, AS ADDED BY P.L.22-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 31. (a) If a member of the plan separates from employment with the state and later returns to state employment in a position covered by the plan, the member is entitled to receive credit for the member's years of participation in the plan before the member's separation. However, any amounts forfeited by the member under section 25(e) of this chapter may not be restored to the member's account.

(b) An individual who:

(1) elected under section 20 of this chapter (before its expiration on July 1, 2014); or

(2) was required under section 20.5 of this chapter;

to become a member of the plan resumes membership in the plan upon the individual's return to state employment.

(c) An individual who, **before July 1, 2014**, did not elect to become a member of the plan resumes membership in the fund.

~~(d) An individual who returns to state employment having had an opportunity to make an election under section 20 of this chapter during an earlier period of state employment is not entitled to a second opportunity to make an election under section 20 of this chapter.~~

SECTION 15. IC 5-10.5-4-1, AS ADDED BY P.L.177-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The board shall do all of the following:

(1) Appoint and fix the salary of a director.

(2) Employ or contract with employees, auditors, technical experts, legal counsel, and other service providers as the board considers necessary to transact the business of the fund without the approval of any state officer, and fix the compensation of those persons.

(3) Establish a general office in Indianapolis for board meetings and for administrative personnel.

(4) Provide for the installation in the general office of a complete system of:

(A) books;

(B) accounts, including reserve accounts; and

(C) records;

to give effect to all the requirements of this article and to ensure the proper operation of the fund.

(5) Provide for a report at least annually to each member of the



amount credited to the member in the annuity savings account in each investment program under IC 5-10.2-2.

(6) With the advice of the actuary, adopt actuarial tables and compile data needed for actuarial studies that are necessary for the fund's operation.

(7) Act on applications for benefits and claims of error filed by members.

(8) Provide to retiring and retired members the option of converting the amount credited to the member's annuity savings account into an annuity that is administered and managed by the fund's employees.

~~(8)~~ (9) Have the accounts of the fund audited annually by the state board of accounts, and if the board determines that it is advisable, have the operation of a public pension or retirement fund of the system audited by a certified public accountant.

~~(9)~~ (10) Publish for the members a synopsis of the fund's condition.

~~(10)~~ (11) Adopt a budget on a calendar year or fiscal year basis that is sufficient, as determined by the board, to perform the board's duties and, as appropriate and reasonable, draw upon fund assets to fund the budget.

~~(11)~~ (12) Expend money, including income from the fund's investments, for effectuating the fund's purposes.

~~(12)~~ (13) Establish personnel programs and policies for the employees of the system.

~~(13)~~ (14) Submit a financial report before November 1 each year to the governor, the pension management oversight commission, and the budget committee. The report under this subdivision must set forth a complete operating and financial statement covering its operations during the most recent fiscal year, and include any other information requested by the chair of the pension management oversight commission. The report must be submitted to the pension management oversight commission in an electronic format pursuant to IC 5-14-6.

~~(14)~~ (15) Provide the necessary forms for administering the fund.

~~(15)~~ (16) Submit to the auditor of state or the treasurer of state vouchers or reports necessary to claim an amount due from the state to the system.

SECTION 16. IC 5-10.5-4-2, AS ADDED BY P.L.23-2011, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The board may do any of the following:

(1) Establish and amend rules and regulations:



- 1 (A) for the administration and regulation of the fund and the
- 2 board's affairs; and
- 3 (B) to effectuate the powers and purposes of the board;
- 4 without adopting a rule under IC 4-22-2.
- 5 (2) Make contracts and sue and be sued as the board of trustees of
- 6 the Indiana public retirement system.
- 7 (3) Delegate duties to its employees.
- 8 (4) Enter into agreements with one (1) or more insurance
- 9 companies to provide life, hospitalization, surgical, medical,
- 10 dental, vision, long term care, or supplemental Medicare
- 11 insurance, utilizing individual or group insurance policies for
- 12 retired members of the fund, and, upon authorization of the
- 13 respective member, deduct premium payments for such policies
- 14 from the members' retirement benefits and remit the payments to
- 15 the insurance companies.
- 16 (5) Enter into agreements with one (1) or more insurance
- 17 companies to provide annuities for retired members of the fund,
- 18 and, upon a member's authorization, transfer the amount credited
- 19 to the member in the annuity savings account to the insurance
- 20 companies. **The board shall offer the annuity option described**
- 21 **in section 1(8) of this chapter in addition to any agreement**
- 22 **entered under this subdivision.**
- 23 (6) For the 1977 police officers' and firefighters' pension and
- 24 disability fund, deduct from benefits paid and remit to the
- 25 appropriate entities amounts authorized by IC 36-8-8-17.2.
- 26 (7) Whenever the fund's membership is sufficiently large for
- 27 actuarial valuation, establish an employer's contribution rate for
- 28 all employers, including employers with special benefit provisions
- 29 for certain employees.
- 30 (8) Amortize prior service liability over a period of forty (40)
- 31 years or less.
- 32 (9) Recover payments made under false or fraudulent
- 33 representation.
- 34 (10) Give bond for an employee for the fund's protection.
- 35 (11) Receive the state's share of the cost of the pension
- 36 contribution from the federal government for a member on leave
- 37 of absence in order to work in a federally supported educational
- 38 project.
- 39 (12) Summon and examine witnesses when adjusting claims.
- 40 (13) When adjusting disability claims, require medical
- 41 examinations by doctors approved or appointed by the board. Not
- 42 more than two (2) examinations may be conducted in one (1)



1 year.

2 (14) Conduct investigations to help determine the merit of a
3 claim.

4 (15) Meet an emergency that may arise in the administration of
5 the board's trust.

6 (16) Determine other matters regarding the board's trust that are
7 not specified.

8 (17) Exercise all powers necessary, convenient, or appropriate to
9 carry out and effectuate its public and corporate purposes and to
10 conduct its business.

11 (b) This subsection does not apply to investments of the board. A
12 contract under subsection (a)(2) may be for a term of not more than
13 five (5) years, with an ability to renew thereafter.

14 (c) An agreement under subsection (a)(4) may be for a duration of
15 three (3) years.

16 SECTION 17. IC 5-10.5-4-2.5 IS ADDED TO THE INDIANA
17 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
18 [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. (a) The board shall**
19 **establish in January and June each year the interest rate used to**
20 **determine the annuity amount purchasable by a member of:**

21 **(1) the public employees' retirement fund; or**

22 **(2) the teachers' retirement fund;**

23 **who elects to receive, as part of the member's retirement or**
24 **disability benefit, an annuity provided by the amount credited to**
25 **the member in the member's annuity savings account. The interest**
26 **rate applies beginning July 1, 2014.**

27 **(b) The interest rate established under subsection (a) is equal to**
28 **the average of the rate of return earned by the retirement**
29 **allowance accounts of the public employees' retirement fund and**
30 **the teachers' retirement fund during the six (6) immediately**
31 **preceding calendar years. However, the interest rate established**
32 **under this section may not be less than the following:**

33 **(1) Six and one-half percent (6.5%) during calendar year**
34 **2014.**

35 **(2) Five and one-half percent (5.5%) during calendar year**
36 **2015.**

37 **(3) Four and one-half percent (4.5%) during calendar year**
38 **2016.**

39 SECTION 18. IC 8-1.5-3-7 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) Subject to**
41 **subsection (b), the board may set up a retirement account for the**
42 **benefit of the employees and past employees of each utility. The board**



1 may provide for the method, manner, and amount of contributions by
 2 the utility out of its earnings, reserves, or earned surplus, and by
 3 employees if required by the plan, and may create an account for the
 4 utilities and allocate to the account contributions sufficient to establish
 5 the plan on a sound actuarial basis, including contributions for past
 6 services of employees. However, the plan may not require contributions
 7 from an employee to exceed six percent (6%) of ~~his~~ **the employee's**
 8 wage or salary.

9 **(b) This subsection applies to a municipally owned utility that**
 10 **is eligible to participate in the public employees' retirement fund**
 11 **and elects to provide retirement, disability, and survivor benefits**
 12 **to employees eligible to become members of the public employees'**
 13 **retirement fund. After June 30, 2014, the board shall provide**
 14 **retirement, disability, and survivor benefits using the public**
 15 **employees' retirement fund for an individual who, after June 30,**
 16 **2014, becomes a full-time employee in a position that is included in**
 17 **membership in the public employees' retirement fund under**
 18 **IC 5-10.3-7.**

19 **(c) Notwithstanding subsection (b), the board may continue to**
 20 **provide, after June 30, 2014, the retirement account established**
 21 **under subsection (a) to employees and past employees who are**
 22 **participants in the retirement account on July 1, 2014. If the board**
 23 **discontinues the retirement account established under subsection**
 24 **(a) and in effect on July 1, 2014, the employees who were**
 25 **participants in the retirement account and are employed in**
 26 **positions that are included in membership in the public employees'**
 27 **retirement fund shall become members of the public employees'**
 28 **retirement fund under conditions established by the board of**
 29 **trustees of the Indiana public retirement system.**

30 SECTION 19. IC 8-10-5-6.5 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.5. (a) **Subject to**
 32 **subsection (d),** a port authority operating a railroad under this chapter
 33 may establish a retirement plan for the benefit of the port authority's
 34 railroad employees and past railroad employees who are not members
 35 of the public employees' retirement fund.

36 (b) If a port authority establishes a retirement plan under subsection
 37 (a), the port authority may do the following:

38 (1) Provide for the method, manner, and amount of contributions
 39 by the:

40 (A) port authority out of the port authority's railroad revenues
 41 or reserves; and

42 (B) railroad employees of the port authority, if required by the



1 retirement plan.

2 (2) Create an account for the retirement plan and allocate to the
3 account contributions sufficient to establish the retirement plan on
4 a sound actuarial basis, including contributions for past services
5 of employees.

6 (c) A retirement plan established under subsection (a) may not
7 require contributions from an employee that exceed six percent (6%)
8 of the employee's wages or salary.

9 **(d) This subsection applies to a port authority that is eligible to**
10 **participate in the public employees' retirement fund and elects to**
11 **provide retirement, disability, and survivor benefits to employees**
12 **eligible to become members of the public employees' retirement**
13 **fund. After June 30, 2014, the port authority shall provide**
14 **retirement, disability, and survivor benefits using the public**
15 **employees' retirement fund for an individual who, after June 30,**
16 **2014, becomes a full-time employee in a position that is included in**
17 **membership in the public employees' retirement fund under**
18 **IC 5-10.3-7.**

19 (e) Notwithstanding subsection (d), the port authority may
20 continue to provide, after June 30, 2014, a retirement plan
21 established under subsection (a) to employees and past employees
22 who are participants in the retirement plan on July 1, 2014. If the
23 port authority discontinues the retirement plan established under
24 subsection (a) and in effect on July 1, 2014, the employees who
25 were participants in the retirement plan and are employed in
26 positions that are included in membership in the public employees'
27 retirement fund shall become members of the public employees'
28 retirement fund under conditions established by the board of
29 trustees of the Indiana public retirement system.

30 SECTION 20. IC 8-22-3-11, AS AMENDED BY P.L.139-2013,
31 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 UPON PASSAGE]: Sec. 11. The board may do all acts necessary or
33 reasonably incident to carrying out the purposes of this chapter,
34 including the following:

35 (1) As a municipal corporation, to sue and be sued in its own
36 name.

37 (2) To have all the powers and duties conferred by statute upon
38 boards of aviation commissioners. The board supersedes all
39 boards of aviation commissioners within the district. The board
40 has exclusive jurisdiction within the district.

41 (3) To protect all property owned or managed by the board.

42 (4) To adopt an annual budget and levy taxes in accordance with



1 this chapter.

2 (A) The board may not levy taxes on property in excess of the
3 following rate schedule, except as provided in sections 17 and
4 25 of this chapter:

5 Total Assessed	Rate Per \$100 Of
6 Property Valuation	Assessed Valuation
7 \$300 million or less	\$0.10
8 More than \$300 million	
9 but not more than \$450 million	\$0.0833
10 More than \$450 million	
11 but not more than \$600 million	\$0.0667
12 More than \$600 million	
13 but not more than \$900 million	\$0.05
14 More than \$900 million	\$0.0333

15 (B) Clause (A) does not apply to an authority that was
16 established under IC 19-6-2 or IC 19-6-3 (before their repeal
17 on April 1, 1980).

18 (C) The board of an authority that was established under
19 IC 19-6-3 (before its repeal on April 1, 1980) may levy taxes
20 on property not in excess of six and sixty-seven hundredths
21 cents (\$0.0667) on each one hundred dollars (\$100) of
22 assessed valuation.

23 (5) To incur indebtedness in the name of the authority in
24 accordance with this chapter.

25 (6) To adopt administrative procedures, rules, and regulations.

26 (7) To acquire property, real, personal, or mixed, by deed,
27 purchase, lease, condemnation, or otherwise and dispose of it for
28 use or in connection with or for administrative purposes of the
29 airport; to receive gifts, donations, bequests, and public trusts and
30 to agree to conditions and terms accompanying them and to bind
31 the authority to carry them out; to receive and administer federal
32 or state aid; and to erect buildings or structures that may be
33 needed to administer and carry out this chapter.

34 (8) To determine matters of policy regarding internal organization
35 and operating procedures not specifically provided for otherwise.

36 (9) To adopt a schedule of reasonable charges and to collect them
37 from all users of facilities and services within the district.

38 (10) To purchase supplies, materials, and equipment to carry out
39 the duties and functions of the board in accordance with
40 procedures adopted by the board.

41 (11) To employ personnel that are necessary to carry out the
42 duties, functions, and powers of the board.



1 (12) To establish an employee pension plan **as follows:**

2 **(A) Except as provided in clause (B),** the board may, upon
 3 due investigation, authorize and begin a fair and reasonable
 4 pension or retirement plan and program for personnel, the cost
 5 to be borne by either the authority or by the employee or by
 6 both, as the board determines. If the authority was established
 7 under IC 19-6-2 (before its repeal on April 1, 1980), the entire
 8 cost must be borne by the authority, and ordinances creating
 9 the plan or making changes in it must be approved by the
 10 mayor of the city. The plan may be administered and funded
 11 by a trust fund or by insurance purchased from an insurance
 12 company licensed to do business in Indiana or by a
 13 combination of them. The board may also include in the plan
 14 provisions for life insurance, disability insurance, or both.

15 **(B) This clause applies to an authority or department that**
 16 **is eligible to participate in the public employees'**
 17 **retirement fund and elects to provide retirement,**
 18 **disability, and survivor benefits to employees eligible to**
 19 **become members of the public employees' retirement fund.**
 20 **After June 30, 2014, the board shall provide retirement,**
 21 **disability, and survivor benefits using the public**
 22 **employees' retirement fund for an individual who, after**
 23 **June 30, 2014, becomes a full-time employee in a position**
 24 **that is included in membership in the public employees'**
 25 **retirement fund under IC 5-10.3-7.**

26 **(C) Notwithstanding clause (B), the board may continue to**
 27 **provide, after June 30, 2014, a pension or retirement plan**
 28 **established under clause (A) to employees and past**
 29 **employees who are participants in the pension or**
 30 **retirement plan on July 1, 2014. If the board discontinues**
 31 **the pension or retirement plan established under clause (A)**
 32 **and in effect on July 1, 2014, the employees who were**
 33 **participants in the pension or retirement plan and are**
 34 **employed in positions that are included in membership in**
 35 **the public employees' retirement fund shall become**
 36 **members of the public employees' retirement fund under**
 37 **conditions established by the board of trustees of the**
 38 **Indiana public retirement system.**

39 (13) To sell surplus real or personal property in accordance with
 40 law. If the board negotiates an agreement to sell trees situated in
 41 woods or forest areas owned by the board, the trees are considered
 42 to be personal property of the board for severance or sale.



1 (14) To adopt and use a seal.

2 (15) To acquire, establish, construct, improve, equip, maintain,
3 control, lease, and regulate municipal airports, landing fields, and
4 other air navigation facilities, either inside or outside the district;
5 to acquire by lease (with or without the option to purchase)
6 airports, landing fields, or navigation facilities, and any structures,
7 equipment, or related improvements; and to erect, install,
8 construct, and maintain at the airport or airports facilities for the
9 servicing of aircraft and for the comfort and accommodation of air
10 travelers and the public. The Indiana department of transportation
11 must grant its approval before land may be purchased for the
12 establishment of an airport or landing field and before an airport
13 or landing field may be established.

14 (16) To fix and determine exclusively the uses to which the
15 airport lands may be put, including land use planning and zoning.
16 All uses must be necessary or desirable to the airport or the
17 aviation industry and must be compatible with the uses of the
18 surrounding lands as far as practicable. The jurisdiction granted
19 under this subdivision is superior to that of any other local
20 government unit or entity with respect to airport lands.

21 (17) To elect a secretary from its membership, or to employ a
22 secretary, an airport director, superintendents, managers, a
23 treasurer, engineers, surveyors, attorneys, clerks, guards,
24 mechanics, laborers, and all employees the board considers
25 expedient, and to prescribe and assign their respective duties and
26 authorities and to fix and regulate the compensation to be paid to
27 the persons employed by it in accordance with the authority's
28 appropriations. All employees shall be selected irrespective of
29 their political affiliations.

30 (18) To make all rules and regulations, consistent with laws
31 regarding air commerce, for the management and control of its
32 airports, landing fields, air navigation facilities, and other
33 property under its control.

34 (19) To acquire by lease the use of an airport or landing field for
35 aircraft pending the acquisition and improvement of an airport or
36 landing field.

37 (20) To manage and operate airports, landing fields, and other air
38 navigation facilities acquired or maintained by an authority; to
39 lease all or part of an airport, landing field, or any buildings or
40 other structures, and to fix, charge, and collect rentals, tolls, fees,
41 and charges to be paid for the use of the whole or a part of the
42 airports, landing fields, or other air navigation facilities by aircraft



1 landing there and for the servicing of the aircraft; to construct
 2 public recreational facilities that will not interfere with air
 3 operational facilities; to fix, charge, and collect fees for public
 4 admissions and privileges; and to make contracts for the operation
 5 and management of the airports, landing fields, and other air
 6 navigation facilities; and to provide for the use, management, and
 7 operation of the air navigation facilities through lessees, its own
 8 employees, or otherwise. Contracts for the maintenance,
 9 operation, or use of the airport or any part of it may be made for
 10 a term not exceeding fifteen (15) years and may be extended for
 11 similar terms of years. However, the airport, including all or part
 12 of its land, facilities, or structures, may be leased for any use
 13 connected with the operation and convenience of the airport for
 14 an initial term not exceeding forty (40) years and may be extended
 15 for a period not to exceed ten (10) years. If a person whose
 16 character, experience, and financial responsibility have been
 17 determined satisfactory by the board offers to erect a permanent
 18 structure that facilitates and is consistent with the operation, use,
 19 and purpose of the airport on land belonging to the airport, a lease
 20 may be entered into for a period not to exceed ninety-nine (99)
 21 years. However, the board must pass an ordinance to enter into
 22 such a lease. The board may not grant an exclusive right for the
 23 use of a landing area under its jurisdiction. However, this does not
 24 prevent the making of leases in accordance with other provisions
 25 of this chapter. All contracts, and leases, are subject to restrictions
 26 and conditions that the board prescribes. The authority may lease
 27 its property and facilities for any commercial or industrial use it
 28 considers necessary and proper, including the use of providing
 29 airport motel facilities. For the airport authority established by the
 30 city of Gary, the board may approve a lease, management
 31 agreement, or other contract:

32 (A) with a person:

33 (i) who is selected by the board using the procedures under
 34 IC 36-1-9.5; and

35 (ii) whose character, experience, and financial responsibility
 36 have been determined satisfactory by the board; and

37 (B) to use, plan, design, acquire, construct, reconstruct,
 38 improve, extend, expand, lease, operate, repair, manage,
 39 maintain, or finance all or any part of the airport and its
 40 landing fields, air navigation facilities, and other buildings and
 41 structures for a period not to exceed ninety-nine (99) years.
 42 However, the board must pass an ordinance to enter into such



- 1 a lease, management agreement, or other contract. All
- 2 contracts, leases, and management agreements are subject to
- 3 restrictions and conditions that the board prescribes. The
- 4 authority may lease its property and facilities for any
- 5 commercial or industrial use it considers necessary and proper,
- 6 including the use of providing airport motel facilities. A lease,
- 7 management agreement, or other contract entered into under
- 8 this section or any other provision of this chapter may be
- 9 entered into without complying with IC 5-23.
- 10 (21) To sell machinery, equipment, or material that is not required
- 11 for aviation purposes. The proceeds shall be deposited with the
- 12 treasurer of the authority.
- 13 (22) To negotiate and execute contracts for sale or purchase,
- 14 lease, personal services, materials, supplies, equipment, or any
- 15 other transaction or business relative to an airport under the
- 16 board's control and operation. However, whenever the board
- 17 determines to sell part or all of aviation lands, buildings, or
- 18 improvements owned by the authority, the sale must be in
- 19 accordance with law.
- 20 (23) To vacate all or parts of roads, highways, streets, or alleys,
- 21 whether inside or outside the district, in the manner provided by
- 22 statute.
- 23 (24) To annex lands to itself if the lands are owned by the
- 24 authority or are streets, roads, or other public ways.
- 25 (25) To approve any state, county, city, or other highway, road,
- 26 street or other public way, railroad, power line, or other
- 27 right-of-way to be laid out or opened across an airport or in such
- 28 proximity as to affect the safe operation of the airport.
- 29 (26) To construct drainage and sanitary sewers with connections
- 30 and outlets as are necessary for the proper drainage and
- 31 maintenance of an airport or landing field acquired or maintained
- 32 under this chapter, including the necessary buildings and
- 33 improvements and for the public use of them in the same manner
- 34 that the authority may construct sewers and drains. However, with
- 35 respect to the construction of drains and sanitary sewers beyond
- 36 the boundaries of the airport or landing field, the board shall
- 37 proceed in the same manner as private owners of property and
- 38 may institute proceedings and negotiate with the departments,
- 39 bodies, and officers of an eligible entity to secure the proper
- 40 orders and approvals; and to order a public utility or public
- 41 service corporation or other person to remove or to install in
- 42 underground conduits wires, cables, and power lines passing



through or over the airport or landing field or along the borders or within a reasonable distance that may be determined to be necessary for the safety of operations, upon payment to the utility or other person of due compensation for the expense of the removal or reinstallation. The board must consent before any franchise may be granted by state or local authorities for the construction of or maintenance of railway, telephone, telegraph, electric power, pipe, or conduit line upon, over, or through land under the control of the board or within a reasonable distance of land that is necessary for the safety of operation. The board must also consent before overhead electric power lines carrying a voltage of more than four thousand four hundred (4,400) volts and having poles, standards, or supports over thirty (30) feet in height within one-half (1/2) mile of a landing area acquired or maintained under this chapter may be installed.

(27) To contract with any other state agency or instrumentality or any political subdivision for the rendition of services, the rental or use of equipment or facilities, or the joint purchase and use of equipment or facilities that are necessary for the operation, maintenance, or construction of an airport operated under this chapter.

(28) To provide air transportation in furtherance of the duties and responsibilities of the board.

(29) To promote or encourage aviation-related trade or commerce at the airports that it operates.

(30) To provide aviation services to public use airports within or outside Indiana either directly or through an affiliate entity established by the board.

SECTION 21. IC 16-20-1-15.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15.5. (a) This section applies, after June 30, 2014, to a local health department that is eligible to participate in the public employees' retirement fund and elects to provide retirement, disability, and survivor benefits to employees eligible to become members of the public employees' retirement fund.**

(b) The board of the local health department shall provide retirement, disability, and survivor benefits using the public employees' retirement fund for an individual who, after June 30, 2014, becomes a full-time employee in a position that is included in membership in the public employees' retirement fund under IC 5-10.3-7.



(c) Notwithstanding subsection (b), the board may continue to provide, after June 30, 2014, a pension or retirement plan established under section 3 of this chapter to employees and past employees who are participants in the pension or retirement plan on July 1, 2014. If the board discontinues the pension or retirement plan established under section 3 of this chapter and in effect on July 1, 2014, the employees who were participants in the pension or retirement plan and are employed in positions that are included in membership in the public employees' retirement fund shall become members of the public employees' retirement fund under conditions established by the board of trustees of the Indiana public retirement system.

SECTION 22. IC 16-22-3-11, AS AMENDED BY P.L.35-2012, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. A governing board may do the following:

- (1) Adopt an employee benefit program that may include a vacation policy and employee discounts.
- (2) Authorize expenditure of hospital funds for payment of advertising and placement fees for personnel and physicians.
- (3) Expend hospital funds in an amount not to exceed one-half percent (0.5%) of hospital revenues for the preceding calendar year for a program that directly contributes to the productivity or morale of personnel, volunteers, or physicians. However, this subdivision does not apply to:
 - (A) an employee benefit program under subdivision (1); or
 - (B) an employee compensation arrangement, including a productivity bonus.
- (4) Adopt a plan that provides for hospital employee sickness or accident disability and contract for and purchase insurance plans from an insurance company licensed to transact business in Indiana.
- (5) Contract for and purchase adequate pension and retirement plans for hospital personnel from the Indiana public retirement system or from any company authorized to do such business in Indiana. **After June 30, 2014, provide retirement, disability, and survivor benefits using the public employees' retirement fund for an individual who becomes for the first time a full-time employee of the hospital in a position that is included in membership in the public employees' retirement fund under IC 5-10.3-7.**
- (6) Enter into deferred compensation agreements with employees



and other contractual personnel and fund deferred obligations by contracting with insurance companies licensed to transact business in Indiana.

(7) Expend hospital funds to pay dues of the executive director and department heads for memberships in local, state, or national hospital or professional associations or organizations that the board determines are of direct benefit to the hospital.

(8) Establish and operate employee registries for part-time or temporary hospital employees.

(9) Pay a part or all of the costs of these plans out of hospital funds.

(10) Expend hospital funds for reasonable expenses incurred by persons and their spouses who are interviewed for employment or for medical staff appointment and for reasonable moving expenses for the persons and their spouses if employed or appointed to the hospital medical staff.

(11) Expend hospital funds, advance tuition payments, or establish a tuition refund program for the education or professional improvement of nurses and other professional or technical employees of the hospital for inservice training and attending seminars or other special courses of instruction when the board determines that the expenditures directly benefit the hospital.

(12) Conduct business in a state adjacent to Indiana.

SECTION 23. IC 16-22-8-34, AS AMENDED BY P.L.134-2008, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34. (a) The board or corporation may do all acts necessary or reasonably incident to carrying out the purposes of this chapter, including the following:

(1) As a municipal corporation, sue and be sued in any court with jurisdiction.

(2) To serve as the exclusive local board of health and local department of health within the county with the powers and duties conferred by law upon local boards of health and local departments of health.

(3) To adopt and enforce ordinances consistent with Indiana law and administrative rules for the following purposes:

(A) To protect property owned or managed by the corporation.

(B) To determine, prevent, and abate public health nuisances.

(C) To establish isolation and quarantine regulations in accordance with IC 16-41-9.

(D) To license, regulate, and establish minimum sanitary



- 1 standards for the operation of a business handling, producing,
- 2 processing, preparing, manufacturing, packing, storing,
- 3 selling, distributing, or transporting articles used for food,
- 4 drink, confectionery, or condiment in the interest of the public
- 5 health.
- 6 (E) To control:
- 7 (i) rodents, mosquitos, and other animals, including insects,
- 8 capable of transmitting microorganisms and disease to
- 9 humans and other animals; and
- 10 (ii) the animals' breeding places.
- 11 (F) To require persons to connect to available sewer systems
- 12 and to regulate the disposal of domestic or sanitary sewage by
- 13 private methods. However, the board and corporation have no
- 14 jurisdiction over publicly owned or financed sewer systems or
- 15 sanitation and disposal plants.
- 16 (G) To control rabies.
- 17 (H) For the sanitary regulation of water supplies for domestic
- 18 use.
- 19 (I) To protect, promote, or improve public health. For public
- 20 health activities and to enforce public health laws, the state
- 21 health data center described in IC 16-19-10 shall provide
- 22 health data, medical information, and epidemiological
- 23 information to the corporation.
- 24 (J) To detect, report, prevent, and control disease affecting
- 25 public health.
- 26 (K) To investigate and diagnose health problems and health
- 27 hazards.
- 28 (L) To regulate the sanitary and structural conditions of
- 29 residential and nonresidential buildings and unsafe premises.
- 30 (M) To regulate the remediation of lead hazards.
- 31 (N) To license and regulate the design, construction, and
- 32 operation of public pools, spas, and beaches.
- 33 (O) To regulate the storage, containment, handling, use, and
- 34 disposal of hazardous materials.
- 35 (P) To license and regulate tattoo and body piercing facilities.
- 36 (Q) To regulate the storage and disposal of waste tires.
- 37 (4) To manage the corporation's hospitals, medical facilities, and
- 38 mental health facilities.
- 39 (5) To furnish health and nursing services to elementary and
- 40 secondary schools within the county.
- 41 (6) To furnish medical care to insured and uninsured residents of
- 42 the county.



- 1 (7) To furnish dental services to the insured and uninsured
- 2 residents of the county.
- 3 (8) To establish public health programs.
- 4 (9) To adopt an annual budget ordinance and levy taxes.
- 5 (10) To incur indebtedness in the name of the corporation.
- 6 (11) To organize the corporation into divisions.
- 7 (12) To acquire and dispose of property.
- 8 (13) To receive charitable contributions and gifts as provided in
- 9 26 U.S.C. 170.
- 10 (14) To make charitable contributions and gifts.
- 11 (15) To establish a charitable foundation as provided in 26 U.S.C.
- 12 501.
- 13 (16) To receive and distribute federal, state, local, or private
- 14 grants.
- 15 (17) To receive and distribute grants from charitable foundations.
- 16 (18) To establish corporations and enter into partnerships and
- 17 joint ventures to carry out the purposes of the corporation. This
- 18 subdivision does not authorize the merger of the corporation with
- 19 a hospital licensed under IC 16-21.
- 20 (19) To erect, improve, remodel, or repair corporation buildings.
- 21 (20) To determine operating procedures.
- 22 (21) To do the following:
- 23 (A) Adopt a schedule of reasonable charges for nonresidents
- 24 of the county for medical and mental health services.
- 25 (B) Collect the charges from the patient, the patient's insurance
- 26 company, or a government program.
- 27 (C) Require security for the payment of the charges.
- 28 (22) To adopt a schedule of and to collect reasonable charges for
- 29 medical and mental health services.
- 30 (23) To enforce Indiana laws, administrative rules, ordinances,
- 31 and the code of the health and hospital corporation of the county.
- 32 (24) To purchase supplies, materials, and equipment.
- 33 (25) To employ personnel, ~~and~~ establish personnel policies, **and**
- 34 **after June 30, 2014, provide retirement, disability, and**
- 35 **survivor benefits using the public employees' retirement fund**
- 36 **for an individual who becomes for the first time a full-time**
- 37 **employee of the corporation in a position that is included in**
- 38 **membership in the public employees' retirement fund under**
- 39 **IC 5-10.3-7.**
- 40 (26) To employ attorneys admitted to practice law in Indiana.
- 41 (27) To acquire, erect, equip, and operate the corporation's
- 42 hospitals, medical facilities, and mental health facilities.



(28) To dispose of surplus property in accordance with a policy by the board.

(29) To determine the duties of officers and division directors.

(30) To fix the compensation of the officers and division directors.

(31) To carry out the purposes and object of the corporation.

(32) To obtain loans for hospital expenses in amounts and upon terms agreeable to the board. The board may secure the loans by pledging accounts receivable or other security in hospital funds.

(33) To establish fees for licenses, services, and records. The corporation may accept payment by credit card for fees. IC 5-14-3-8(d) does not apply to fees established under this subdivision for certificates of birth, death, or stillbirth registration.

(34) To use levied taxes or other funds to make intergovernmental transfers to the state to fund governmental health care programs, including Medicaid and Medicaid supplemental programs.

(b) The board shall exercise the board's powers and duties in a manner consistent with Indiana law, administrative rules, and the code of the health and hospital corporation of the county.

SECTION 24. IC 16-23-1-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) The governing board shall employ an experienced and a qualified person as superintendent of the hospital and other agents, employees, representatives, and servants that the board considers necessary. The board may fix salaries or compensation upon terms and conditions and with powers and duties the board considers proper. The board may delegate to the secretary or to the superintendent any of the board's powers under this section. The board, or the superintendent or secretary under authority granted by the board, may terminate the employment of a person appointed under this section at any time and with or without notice, except the superintendent and business manager.

(b) The governing board may also do the following:

(1) Appoint a business manager for the hospital.

(2) Give the manager powers and duties over the administration of the hospital.

(3) Pay the manager the compensation that the board considers proper.

(c) **Subject to subsection (d)**, the governing board may, upon due investigation, authorize and place into effect a fair and reasonable pension or retirement plan for the hospital personnel with a reputable and an experienced company engaged in that business.



(d) This subsection applies, after June 30, 2014, to a hospital that is eligible to participate in the public employees' retirement fund and elects to provide retirement, disability, and survivor benefits to employees eligible to become members of the public employees' retirement fund under IC 5-10.3-7. The governing board of the hospital shall provide retirement, disability, and survivor benefits using the public employees' retirement fund for an individual who, after June 30, 2014, becomes a full-time employee in a position that is included in membership in the public employees' retirement fund under IC 5-10.3-7. The governing board may continue to provide, after June 30, 2014, a pension or retirement plan established under subsection (c) to employees and past employees who are participants in the pension or retirement plan on July 1, 2014. If the governing board discontinues the pension or retirement plan established under subsection (c) and in effect on July 1, 2014, the employees who were participants in the pension or retirement plan and are employed in positions that are included in membership in the public employees' retirement fund shall become members of the public employees' retirement fund under conditions established by the board of trustees of the Indiana public retirement system.

(d) (e) All persons appointed or employed by the board under this section serve in the appointed or employed capacities, exercise the powers, and perform the duties that are authorized by the board or by the secretary of the board under authority granted by the board. However, the right of employment or termination of employment of the superintendent or business manager must be exercised by the board and may not be delegated to the secretary or any other person or officer.

SECTION 25. IC 16-24-1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. The board of managers has the following powers and duties:

(1) To appoint a superintendent of the hospital as an executive officer who shall manage the hospital on behalf of the board of managers. A superintendent appointed:

(A) after January 1, 1982, must:

- (i) be experienced in administration and qualified by training to manage the hospital;
- (ii) have a baccalaureate degree and at least three (3) years experience in administration in a hospital or related health care facility; and
- (iii) have a graduate degree in health facility administration and have completed at least one (1) year residency in a



- 1 hospital or equivalent experience; and
- 2 (B) on or before January 1, 1982, must:
 - 3 (i) be experienced in administration and qualified by
 - 4 training to manage the hospital; and
 - 5 (ii) have a graduate degree in health facility administration
 - 6 and have completed at least one (1) year residency in a
 - 7 hospital or an equivalent experience, or have a baccalaureate
 - 8 degree and at least three (3) years experience in
 - 9 administration in a hospital or related health care facility.
- 10 (2) To fix the salaries of the superintendent, the business
- 11 manager, and other officers and employees within the limits
- 12 approved by the county executive or the county fiscal body. The
- 13 salaries are compensation in full for all services rendered.
- 14 (3) To determine the time required to be spent at the hospital by
- 15 the superintendent in the discharge of the superintendent's duties.
- 16 (4) To supervise, manage, and control the hospital, and the
- 17 hospital's grounds, buildings, officers, employees, and patients,
- 18 and all matters relating to the government, discipline, contracts,
- 19 and fiscal concerns of the hospital, and to make rules to carry out
- 20 the purpose of the hospital.
- 21 (5) To inspect the hospital and be informed of the affairs and
- 22 management of the hospital.
- 23 (6) To keep a proper record of the board's proceedings open at all
- 24 times to the inspection of members, the county executive, the
- 25 county fiscal body, and authorized representatives of the state
- 26 department.
- 27 (7) To allow bills and accounts, including wages and salaries,
- 28 without advertising the filing of claims, and to certify and
- 29 transmit the bills and accounts to the county auditor for payment
- 30 from appropriations made for that purpose by the county fiscal
- 31 body.
- 32 (8) To make a detailed report to the county executive annually,
- 33 and at the time as the executive directs, that includes the
- 34 following:
 - 35 (A) Information on the operations of the hospital.
 - 36 (B) The number of patients received and the methods and
 - 37 results of treatment.
 - 38 (C) Detailed estimates of the money required during the
 - 39 ensuing year for all purposes, including maintenance, direction
 - 40 of buildings, repairs, renewals, extensions, improvements,
 - 41 betterments, replacements, and other necessary purposes.
 - 42 (D) Other matters the county executive requires.



(9) To receive, administer, and hold for the benefit of the hospital, gifts, donations, bequests, and trusts of property of any nature or kind made or given to a hospital, and to agree to conditions and terms specified by the donor. The board is not required to account to any municipal, county, or state official concerning the disposition or use of this property or the income derived from the property except that the funds are subject to examination by the state board of accounts or the county executive. Gifts, donations, bequests, or trusts made or given before March 6, 1947, that are not administered by the board, come within the jurisdiction of the board for administration. Funds received from donors or income from gifts or bequests shall not be taken into account for expenditure in the preparation of the hospital budget.

(10) To determine, as of January 1 and July 1 of each year, whether the hospital is fully utilized by tuberculosis patients. If the board finds that the demand for care of tuberculosis patients does not warrant the full utilization of the hospital, the board may authorize the hospital to furnish care to persons suffering from chronic illnesses other than tuberculosis, upon terms and conditions of admission, treatment, care, and payment as the board prescribes.

(11) To meet at least one (1) time each month at a designated place in the county where the hospital is located, and at least one (1) time each year on the hospital premises.

(12) To expend hospital funds, advance tuition payments, or establish a tuition refund program for the education or professional improvement of nurses and other professional or technical employees for inservice training, seminars, or special courses of instruction, for the direct benefit to the hospital.

(13) To contract for the sharing or purchase of services with other hospitals when considered economically feasible by the board.

(14) To contract for services reasonably required for the operation and maintenance of the hospital, including the management of the hospital, on terms and conditions considered reasonable by the board.

(15) Upon the recommendation of the superintendent, to fix the compensation of hospital employees and adopt personnel and management policies that may include the following:

(A) An employee benefit program that provides for paid vacations, sick leave, paid holidays, paid personal leave, and paid leave for purposes of attending educational seminars.

(B) Payment of advertising and placement fees for personnel



1 and physicians.

2 (C) Programs for the benefit of the personnel, volunteers, or
3 physicians that directly contribute to productivity or morale, at
4 an annual cost not to exceed the lesser of the following:

5 (i) One quarter of one percent (0.25%) of total hospital
6 revenues for the preceding calendar year.

7 (ii) Four thousand dollars (\$4,000).

8 (D) Except as provided in section 15 of this chapter, a plan to
9 provide coverage for the illness or accidental disability of
10 hospital employees and insurance plans for hospital personnel
11 from any insurance company licensed to transact business in
12 Indiana.

13 (E) **Subject to clause (F)**, pension and retirement plans for
14 hospital personnel from any company authorized to do
15 business in Indiana.

16 (F) Participation in the public employees' retirement fund
17 subject to IC 5-10.3-6. **After June 30, 2014, the board of**
18 **managers shall provide retirement, disability, and survivor**
19 **benefits using the public employees' retirement fund for an**
20 **individual who becomes a full-time employee in a position**
21 **that is included in membership in the public employees'**
22 **retirement fund under IC 5-10.3-7. The board of managers**
23 **may continue to provide, after June 30, 2014, a pension or**
24 **retirement plan established under clause (E) to employees**
25 **and past employees who are participants in the pension or**
26 **retirement plan on July 1, 2014. If the board of managers**
27 **discontinues the pension or retirement plan established**
28 **under clause (E) and in effect on July 1, 2014, the**
29 **employees who were participants in the pension or**
30 **retirement plan and are employed in positions that are**
31 **included in membership in the public employees'**
32 **retirement fund shall become members of the public**
33 **employees' retirement fund under conditions established**
34 **by the board of trustees of the Indiana public retirement**
35 **system.**

36 (G) Deferred compensation agreements with employees and
37 other personnel. Deferred obligations may be funded by
38 contracting with insurance companies licensed to transact
39 business in Indiana.

40 (H) Payment of dues of the superintendent and department
41 heads for membership in local, state, or national hospital or
42 professional organizations if the board determines that those



- 1 expenditures directly benefit the hospital.
- 2 (I) Operation of employee registries for part-time or temporary
- 3 hospital employees.
- 4 Planned expenditures and programs shall be incorporated in the
- 5 annual hospital budget subject to the approval of the county
- 6 executive and the county fiscal body.
- 7 (16) To purchase insurance coverage for the protection of the
- 8 hospital in amounts and under conditions the board considers
- 9 reasonable and necessary, including liability or malpractice
- 10 coverage for board members, the officers, employees, volunteers,
- 11 and members of medical staff committees for omissions or acts
- 12 committed in the performance of services for the hospital. The
- 13 board may for the express purpose of acquiring malpractice
- 14 coverage assist in the formation of a mutual insurance company
- 15 that does not issue assessable policies.
- 16 (17) To expend hospital funds for the following:
- 17 (A) Reasonable expenses incurred by persons and their
- 18 spouses who are interviewed for employment or for medical
- 19 staff appointment.
- 20 (B) Reasonable moving expenses if the persons are employed
- 21 or appointed.
- 22 (18) To use automated data processing systems to keep hospital
- 23 records and to purchase, lease, operate, or contract for the use of
- 24 any automated data processing equipment subject to IC 5-17-1.
- 25 Any major purchases or lease of data processing equipment or
- 26 systems must be reviewed with the county data processing board.
- 27 (19) To dispose of the following:
- 28 (A) By sale or otherwise, personal property of limited or no
- 29 use to the hospital without advertising, auctioning, or
- 30 requesting bids if the salvage value does not exceed two
- 31 thousand five hundred dollars (\$2,500).
- 32 (B) Other personal property that the board considers no longer
- 33 necessary for hospital purposes at public auction after an
- 34 appraisal by three (3) disinterested owners of taxable real
- 35 property in the county.
- 36 The board shall publish notice of the sale one (1) time at least
- 37 seven (7) days before the date of the sale. The board shall
- 38 determine the time, terms, and conditions of the sale.
- 39 (20) To enter into agreements with credit card companies or
- 40 organizations authorized to do business in Indiana and to accept
- 41 credit card payments for services provided.
- 42 (21) To contract for services of consultants, architects, or other



professional persons or firms, including shared services or purchasing organizations, when considered necessary by the board or when not in conflict with this chapter.

(22) To purchase, construct, remodel, repair, enlarge, or acquire, including the leasing of county real property with lease back provisions for carrying out this chapter, a building within or outside the county for hospital purposes. If the building is located outside of the county, the board must receive the approval of the county executive and the county fiscal body of the county in which the hospital or building is located.

SECTION 26. IC 36-7-14-12.2, AS AMENDED BY P.L.221-2007, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.2. (a) The redevelopment commission may do the following:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of areas needing redevelopment that are located within the corporate boundaries of the unit.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of areas needing redevelopment on the terms and conditions that the commission considers best for the unit and its inhabitants.

(3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.

(4) Clear real property acquired for redevelopment purposes.

(5) Enter on or into, inspect, investigate, and assess real property and structures acquired or to be acquired for redevelopment purposes to determine the existence, source, nature, and extent of any environmental contamination, including the following:

(A) Hazardous substances.

(B) Petroleum.

(C) Other pollutants.

(6) Remediate environmental contamination, including the following, found on any real property or structures acquired for redevelopment purposes:

(A) Hazardous substances.

(B) Petroleum.



- 1 (C) Other pollutants.
- 2 (7) Repair and maintain structures acquired for redevelopment
- 3 purposes.
- 4 (8) Remodel, rebuild, enlarge, or make major structural
- 5 improvements on structures acquired for redevelopment purposes.
- 6 (9) Survey or examine any land to determine whether it should be
- 7 included within an area needing redevelopment to be acquired for
- 8 redevelopment purposes and to determine the value of that land.
- 9 (10) Appear before any other department or agency of the unit, or
- 10 before any other governmental agency in respect to any matter
- 11 affecting:
- 12 (A) real property acquired or being acquired for
- 13 redevelopment purposes; or
- 14 (B) any area needing redevelopment within the jurisdiction of
- 15 the commissioners.
- 16 (11) Institute or defend in the name of the unit any civil action.
- 17 (12) Use any legal or equitable remedy that is necessary or
- 18 considered proper to protect and enforce the rights of and perform
- 19 the duties of the department of redevelopment.
- 20 (13) Exercise the power of eminent domain in the name of and
- 21 within the corporate boundaries of the unit in the manner
- 22 prescribed by section 20 of this chapter.
- 23 (14) Appoint an executive director, appraisers, real estate experts,
- 24 engineers, architects, surveyors, and attorneys.
- 25 (15) Appoint clerks, guards, laborers, and other employees the
- 26 commission considers advisable, except that those appointments
- 27 must be made in accordance with the merit system of the unit if
- 28 such a system exists.
- 29 (16) Prescribe the duties and regulate the compensation of
- 30 employees of the department of redevelopment.
- 31 (17) Provide a pension and retirement system for employees of
- 32 the department of redevelopment **as follows:**
- 33 (A) **Subject to clause (B),** by using the Indiana public
- 34 employees' retirement fund or a retirement plan approved by
- 35 the United States Department of Housing and Urban
- 36 Development.
- 37 (B) **This clause applies after June 30, 2014, to a unit that is**
- 38 **eligible to participate in the public employees' retirement**
- 39 **fund and elects to provide retirement, disability, and**
- 40 **survivor benefits to employees eligible to become members**
- 41 **of the public employees' retirement fund under**
- 42 **IC 5-10.3-7. The redevelopment commission shall provide**



retirement, disability, and survivor benefits using the public employees' retirement fund for an individual who, after June 30, 2014, becomes a full-time employee in a position that is included in membership in the public employees' retirement fund under IC 5-10.3-7. The redevelopment commission may continue to provide after June 30, 2014, a retirement plan (other than the public employees' retirement fund) established under clause (A) to employees and past employees who are participants in the retirement plan on July 1, 2014. If the redevelopment commission discontinues the retirement plan (other than the public employees' retirement fund) established under clause (A) and in effect on July 1, 2014, the employees who were participants in the retirement plan and are employed in positions that are included in membership in the public employees' retirement fund shall become members of the public employees' retirement fund under conditions established by the board of trustees of the Indiana public retirement system.

(18) Discharge and appoint successors to employees of the department of redevelopment subject to subdivision (15).

(19) Rent offices for use of the department of redevelopment, or accept the use of offices furnished by the unit.

(20) Equip the offices of the department of redevelopment with the necessary furniture, furnishings, equipment, records, and supplies.

(21) Expend, on behalf of the special taxing district, all or any part of the money of the special taxing district.

(22) Contract for the construction of:

(A) local public improvements (as defined in IC 36-7-14.5-6) or structures that are necessary for redevelopment of areas needing redevelopment or economic development within the corporate boundaries of the unit; or

(B) any structure that enhances development or economic development.

(23) Contract for the construction, extension, or improvement of pedestrian skyways.

(24) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(25) Provide financial assistance (including grants and loans) to



enable individuals and families to purchase or lease residential units within the district. However, financial assistance may be provided only to individuals and families whose income is at or below the unit's median income for individuals and families, respectively.

(26) Provide financial assistance (including grants and loans) to neighborhood development corporations to permit them to:

(A) provide financial assistance for the purposes described in subdivision (25); or

(B) construct, rehabilitate, or repair commercial property within the district.

(27) Require as a condition of financial assistance to the owner of a multiple unit residential structure that any of the units leased by the owner must be leased:

(A) for a period to be determined by the commission, which may not be less than five (5) years;

(B) to families whose income does not exceed eighty percent (80%) of the unit's median income for families; and

(C) at an affordable rate.

(b) Conditions imposed by the commission under subsection (a)(27) remain in force throughout the period determined under subsection (a)(27)(A), even if the owner sells, leases, or conveys the property. The subsequent owner or lessee is bound by the conditions for the remainder of the period.

(c) As used in this section, "pedestrian skyway" means a pedestrian walkway within or outside of the public right-of-way and through and above public or private property and buildings, including all structural supports required to connect skyways to buildings or buildings under construction. Pedestrian skyways constructed, extended, or improved over or through public or private property constitute public property and public improvements, constitute a public use and purpose, and do not require vacation of any public way or other property.

(d) All powers that may be exercised under this chapter by the redevelopment commission may also be exercised by the redevelopment commission in carrying out its duties and purposes under IC 36-7-14.5.

SECTION 27. IC 36-7-14.5-12.5, AS AMENDED BY P.L.203-2011, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) This section applies only to an authority in a county having a United States government military base that is scheduled for closing or is completely or partially inactive or closed.



(b) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may create an economic development area:

- (1) by following the procedures set forth in IC 36-7-14-41 for the establishment of an economic development area by a redevelopment commission; and
- (2) with the same effect as if the economic development area was created by a redevelopment commission.

The area established under this section shall be established only in the area where a United States government military base that is scheduled for closing or is completely or partially inactive or closed is or was located.

(c) In order to accomplish the purposes set forth in section 11 of this chapter, an authority may do the following in a manner that serves an economic development area created under this section:

- (1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal property or interest in real property needed for the redevelopment of economic development areas located within the corporate boundaries of the unit.
- (2) Hold, use, sell (by conveyance by deed, land sale contract, or other instrument), exchange, lease, rent, or otherwise dispose of property acquired for use in the redevelopment of economic development areas on the terms and conditions that the authority considers best for the unit and the unit's inhabitants.
- (3) Sell, lease, or grant interests in all or part of the real property acquired for redevelopment purposes to any other department of the unit or to any other governmental agency for public ways, levees, sewerage, parks, playgrounds, schools, and other public purposes on any terms that may be agreed on.
- (4) Clear real property acquired for redevelopment purposes.
- (5) Repair and maintain structures acquired for redevelopment purposes.
- (6) Remodel, rebuild, enlarge, or make major structural improvements on structures acquired for redevelopment purposes.
- (7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.
- (8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:
 - (A) real property acquired or being acquired for



- 1 redevelopment purposes; or
- 2 (B) any economic development area within the jurisdiction of
- 3 the authority.
- 4 (9) Institute or defend in the name of the unit any civil action, but
- 5 all actions against the authority must be brought in the circuit or
- 6 superior court of the county where the authority is located.
- 7 (10) Use any legal or equitable remedy that is necessary or
- 8 considered proper to protect and enforce the rights of and perform
- 9 the duties of the authority.
- 10 (11) Exercise the power of eminent domain in the name of and
- 11 within the corporate boundaries of the unit subject to the same
- 12 conditions and procedures that apply to the exercise of the power
- 13 of eminent domain by a redevelopment commission under
- 14 IC 36-7-14.
- 15 (12) Appoint an executive director, appraisers, real estate experts,
- 16 engineers, architects, surveyors, and attorneys.
- 17 (13) Appoint clerks, guards, laborers, and other employees the
- 18 authority considers advisable, except that those appointments
- 19 must be made in accordance with the merit system of the unit if
- 20 such a system exists.
- 21 (14) Prescribe the duties and regulate the compensation of
- 22 employees of the authority.
- 23 (15) Provide a pension and retirement system for employees of
- 24 the authority **as follows:**
- 25 **(A) Subject to clause (B), by using the public employees'**
- 26 **retirement fund or a retirement plan approved by the United**
- 27 **States Department of Housing and Urban Development.**
- 28 **(B) This clause applies after June 30, 2014, to a unit that is**
- 29 **eligible to participate in the public employees' retirement**
- 30 **fund and elects to provide retirement, disability, and**
- 31 **survivor benefits to employees eligible to become members**
- 32 **of the public employees' retirement fund under**
- 33 **IC 5-10.3-7. The authority shall provide retirement,**
- 34 **disability, and survivor benefits using the public**
- 35 **employees' retirement fund for an individual who, after**
- 36 **June 30, 2014, becomes a full-time employee in a position**
- 37 **that is included in membership in the public employees'**
- 38 **retirement fund under IC 5-10.3-7. The authority may**
- 39 **continue to provide after June 30, 2014, a retirement plan**
- 40 **(other than the public employees' retirement fund)**
- 41 **established under clause (A) to employees and past**
- 42 **employees who are participants in the retirement plan on**



July 1, 2014. If the authority discontinues the retirement plan (other than the public employees' retirement fund) established under clause (A) and in effect on July 1, 2014, the employees who were participants in the retirement plan and are employed in positions that are included in membership in the public employees' retirement fund shall become members of the public employees' retirement fund under conditions established by the board of trustees of the Indiana public retirement system.

(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).

(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.

(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.

(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.

(B) Any structure that enhances development or economic development.

(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.

(23) Take any action necessary to implement the purpose of the authority.

(24) Provide financial assistance, in the manner that best serves the purposes set forth in section 11 of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the



1 establishment of an allocation area by a redevelopment commission.
 2 The allocation provision may modify the definition of "property taxes"
 3 under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the
 4 depreciable personal property located and taxable on the site of
 5 operations of designated taxpayers in accordance with the procedures
 6 applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3
 7 applies to such a modification. An allocation area established by an
 8 authority under this section is a special taxing district authorized by the
 9 general assembly to enable the unit to provide special benefits to
 10 taxpayers in the allocation area by promoting economic development
 11 that is of public use and benefit. For allocation areas established for an
 12 economic development area created under this section after June 30,
 13 1997, and to the expanded portion of an allocation area for an
 14 economic development area that was established before June 30, 1997,
 15 and that is expanded under this section after June 30, 1997, the net
 16 assessed value of property that is assessed as residential property under
 17 the rules of the department of local government finance, as finally
 18 determined for any assessment date, must be allocated. All of the
 19 provisions of IC 36-7-14-39 apply to an allocation area created under
 20 this section, except that the authority shall be vested with the rights and
 21 duties of a commission as referenced in those sections, and except that,
 22 notwithstanding IC 36-7-14-39(b)(3), property tax proceeds paid into
 23 the allocation fund may be used by the authority only to do one (1) or
 24 more of the following:

- 25 (1) Pay the principal of and interest and redemption premium on
 26 any obligations incurred by the special taxing district or any other
 27 entity for the purpose of financing or refinancing military base
 28 reuse activities in or serving or benefiting that allocation area.
- 29 (2) Establish, augment, or restore the debt service reserve for
 30 obligations payable solely or in part from allocated tax proceeds
 31 in that allocation area or from other revenues of the authority
 32 (including lease rental revenues).
- 33 (3) Make payments on leases payable solely or in part from
 34 allocated tax proceeds in that allocation area.
- 35 (4) Reimburse any other governmental body for expenditures
 36 made by it that benefits or provides for local public improvements
 37 or structures in or serving or benefiting that allocation area.
- 38 (5) Pay expenses incurred by the authority that benefit or provide
 39 for local public improvements or structures that are in the
 40 allocation area or serving or benefiting the allocation area.
- 41 (6) Reimburse public and private entities for expenses incurred in
 42 training employees of industrial facilities that are located:



(A) in the allocation area; and

(B) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in clause (B). The reimbursements under this subdivision must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(e) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or benefiting an economic development area created by an authority under this section, and in anticipation of the taxes allocated under subsection (d), other revenues of the authority, or any combination of these sources, the authority may, by resolution, issue the bonds of the special taxing district in the name of the unit. Bonds issued under this section may be issued in any amount without limitation. The following apply if such a resolution is adopted:

(1) The authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(2) The bonds must be executed by the appropriate officer of the unit and attested by the unit's fiscal officer.

(3) The bonds are exempt from taxation for all purposes.

(4) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(5) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the authority:

(A) from the tax proceeds allocated under subsection (d);

(B) from other revenues available to the authority; or

(C) from a combination of the methods stated in clauses (A) and (B).

(6) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(7) Laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers and voters to remonstrate against the issuance of bonds do not apply to bonds issued under



1 this section.

2 (8) If a debt service reserve is created from the proceeds of bonds,
3 the debt service reserve may be used to pay principal and interest
4 on the bonds as provided in the bond resolution.

5 (9) If bonds are issued under this chapter that are payable solely
6 or in part from revenues to the authority from a project or
7 projects, the authority may adopt a resolution or trust indenture or
8 enter into covenants as is customary in the issuance of revenue
9 bonds. The resolution or trust indenture may pledge or assign the
10 revenues from the project or projects. The resolution or trust
11 indenture may also contain any provisions for protecting and
12 enforcing the rights and remedies of the bond owners as may be
13 reasonable and proper and not in violation of law, including
14 covenants setting forth the duties of the authority. The authority
15 may establish fees and charges for the use of any project and
16 covenant with the owners of any bonds to set those fees and
17 charges at a rate sufficient to protect the interest of the owners of
18 the bonds. Any revenue bonds issued by the authority that are
19 payable solely from revenues of the authority shall contain a
20 statement to that effect in the form of bond.

21 (f) Notwithstanding section 8(a) of this chapter, an ordinance
22 adopted under section 11 of this chapter may provide, or be amended
23 to provide, that the board of directors of the authority shall be
24 composed of not fewer than three (3) nor more than eleven (11)
25 members, who must be residents of or be employed at a place of
26 employment located within the unit. The members shall be appointed
27 by the executive of the unit.

28 (g) The acquisition of real and personal property by an authority
29 under this section is not subject to the provisions of IC 5-22,
30 IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the
31 purchase of property by public bodies or their agencies.

32 (h) An authority may negotiate for the sale, lease, or other
33 disposition of real and personal property without complying with the
34 provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other
35 statute governing the disposition of public property.

36 (i) Notwithstanding any other law, utility services provided within
37 an economic development area established under this section are
38 subject to regulation by the appropriate regulatory agencies unless the
39 utility service is provided by a utility that provides utility service solely
40 within the geographic boundaries of an existing or a closed military
41 installation, in which case the utility service is not subject to regulation
42 for purposes of rate making, regulation, service delivery, or issuance of



bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

SECTION 28. IC 36-7-18-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A housing authority may employ an executive director, technical experts, and other permanent and temporary officers, agents, and employees required by the authority, and may determine their qualifications, duties, and compensation.

(b) If a housing authority needs legal services, it may call upon the attorney for the unit or may employ its own counsel and legal staff.

(c) A housing authority may delegate powers and duties to its agents and employees.

(d) **Subject to subsection (e)**, a housing authority may contract for and purchase adequate pension plans on behalf of those employees. The plans may be purchased from any insurance company licensed to sell such plans in the state, or from any other financial institutions that are approved by a federal agency with which the authority has dealings. ~~notwithstanding any statute providing for participation of public employees in the public employees retirement fund or any other publicly governed fund.~~ The expenses of such a contract or purchase shall be paid from funds of the authority as other expenses are paid.

(e) This subsection applies after June 30, 2014, to a unit that is eligible to participate in the public employees' retirement fund and elects to provide retirement, disability, and survivor benefits to employees eligible to become members of the public employees' retirement fund. A housing authority shall provide retirement, disability, and survivor benefits using the public employees' retirement fund for an individual who, after June 30, 2014, becomes a full-time employee in a position that is included in membership in the public employees' retirement fund under IC 5-10.3-7. The housing authority may continue to provide after June 30, 2014, a pension plan established under subsection (d) to employees and past employees who are participants in the pension plan on July 1, 2014. If the housing authority discontinues the pension plan established under subsection (d) and in effect on July 1, 2014, the employees who were participants in the pension plan and are employed in positions that are included in membership in the public employees' retirement fund shall become members of the public employees' retirement fund under conditions established by the board of trustees of the Indiana public retirement system.



1 SECTION 29. IC 36-7-30-9 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) The military
 3 base reuse authority may do the following:

4 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 5 lease, or any combination of methods, any personal military base
 6 property or interest in real military base property or other real or
 7 personal property located within the corporate boundaries of the
 8 unit.

9 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 10 other instrument), exchange, lease, rent, or otherwise dispose of
 11 real or personal military base property or other real and personal
 12 property to private enterprise or state or local government, on the
 13 terms and conditions that the reuse authority considers best for the
 14 unit and its inhabitants.

15 (3) Sell, lease, or grant interests in all or part of the real property
 16 acquired from a military base to any other department of the unit
 17 or to any other governmental agency for public ways, levees,
 18 sewerage, parks, playgrounds, schools, and other public purposes
 19 on any terms that may be agreed on.

20 (4) Clear real property acquired for the purposes of this chapter.

21 (5) Repair and maintain structures acquired for the purposes of
 22 this chapter.

23 (6) Remodel, rebuild, enlarge, or make major structural
 24 improvements on structures acquired from a military base.

25 (7) Survey or examine any land to determine whether it should be
 26 acquired for the purpose of this chapter and to determine the
 27 value of the land.

28 (8) Appear before any other department or agency of the unit or
 29 any other governmental agency in respect to any matter affecting:

30 (A) real property acquired or being acquired for the purposes
 31 of this chapter; or

32 (B) any reuse area within the jurisdiction of the reuse
 33 authority.

34 (9) Institute or defend in the name of the unit any civil action.

35 (10) Use any legal or equitable remedy that is necessary or
 36 considered proper to protect and enforce the rights of and perform
 37 the duties of the reuse authority.

38 (11) Exercise the power of eminent domain in the name of and
 39 within the corporate boundaries of the unit in the manner
 40 prescribed by section 16 of this chapter.

41 (12) Appoint an executive director, appraisers, real estate experts,
 42 engineers, architects, surveyors, attorneys, accountants, and other



consultants that are necessary or desired by the authority in exercising its powers or carrying out its responsibilities under this chapter.

(13) Appoint clerks, guards, laborers, and other employees the reuse authority considers advisable. However, the appointments must be made in accordance with the merit system of the unit if the unit has a merit system.

(14) Prescribe the duties and regulate the compensation of employees of the military base reuse authority.

(15) Provide a pension and retirement system for employees of the military base reuse authority ~~or use as follows:~~

(A) Subject to clause (B), by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(B) This clause applies after June 30, 2014, to a unit that is eligible to participate in the public employees' retirement fund and elects to provide retirement, disability, and survivor benefits to employees eligible to become members of the public employees' retirement fund. A military base reuse authority shall provide retirement, disability, and survivor benefits using the public employees' retirement fund for an individual who, after June 30, 2014, becomes a full-time employee in a position that is included in membership in the public employees' retirement fund under IC 5-10.3-7. The military base reuse authority may continue to provide after June 30, 2014, a retirement plan (other than the public employees' retirement fund) established under clause (A) to employees and past employees who are participants in the retirement plan on July 1, 2014. If the military base reuse authority discontinues the retirement plan (other than the public employees' retirement fund) established under clause (A) and in effect on July 1, 2014, the employees who were participants in the retirement plan and are employed in positions that are included in membership in the public employees' retirement fund shall become members of the public employees' retirement fund under conditions established by the board of trustees of the Indiana public retirement system.

(16) Discharge and appoint successors to employees of the military base reuse authority subject to subdivision (13).

(17) Rent offices for use of the reuse authority or accept the use



of offices furnished by the unit.

(18) Equip the offices of the reuse authority with the necessary furniture, furnishings, equipment, records, and supplies.

(19) Expend on behalf of the special taxing district all or any part of the money of the special taxing district.

(20) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

(A) Local public improvements or structures that are necessary for the reuse of military base property within the corporate boundaries of the unit.

(B) Any structure that enhances the development, economic development, or reuse of military base property.

(21) Accept loans, grants, and other forms of financial assistance from the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Provide financial assistance, in the manner that best serves the purposes of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(23) Enter into contracts for providing police, fire protection, and utility services to the military base reuse area.

(24) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the reuse authority and the execution of the power of the reuse authority under this chapter.

(25) Take any action necessary to implement the purposes of the reuse authority.

(b) All powers that may be exercised under this chapter by the reuse authority may also be exercised by the reuse authority in carrying out its duties and purposes under IC 36-7-14.5 or IC 36-7-15.3.

SECTION 30. IC 36-7-30.5-15, AS ADDED BY P.L.203-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. The development authority may do the following:

(1) Acquire by purchase, exchange, gift, grant, condemnation, or lease, or any combination of methods, any personal military base property or interest in real military base property or other real or personal property located within the corporate boundaries of a unit that contains all or part of the military base.

(2) Hold, use, sell (by conveyance by deed, land sale contract, or



- 1 other instrument), exchange, lease, rent, or otherwise dispose of
- 2 real or personal military base property or other real and personal
- 3 property to private enterprise or state or local government, on the
- 4 terms and conditions that the development authority considers
- 5 best for the state and the state's inhabitants.
- 6 (3) Sell, lease, or grant interests in all or part of the real property
- 7 acquired from a military base to a department of a unit or to any
- 8 other governmental agency for public ways, levees, sewerage,
- 9 parks, playgrounds, schools, and other public purposes on any
- 10 terms that may be agreed on.
- 11 (4) Clear real property acquired for the purposes of this chapter.
- 12 (5) Repair and maintain structures acquired for the purposes of
- 13 this chapter.
- 14 (6) Remodel, rebuild, enlarge, or make major structural
- 15 improvements on structures acquired from a military base.
- 16 (7) Survey or examine any land to determine whether it should be
- 17 acquired for the purpose of this chapter and to determine the
- 18 value of the land.
- 19 (8) Appear before any other department or agency of a unit or any
- 20 other governmental agency in respect to any matter affecting:
- 21 (A) real property acquired or being acquired for the purposes
- 22 of this chapter; or
- 23 (B) any development area within the jurisdiction of the
- 24 development authority.
- 25 (9) Institute or defend in the name of the development authority
- 26 any civil action.
- 27 (10) Use any legal or equitable remedy that is necessary or
- 28 considered proper to protect and enforce the rights of and perform
- 29 the duties of the development authority.
- 30 (11) Exercise the power of eminent domain within military base
- 31 property in the manner prescribed by section 21 of this chapter.
- 32 (12) Appoint an executive director, appraisers, real estate experts,
- 33 engineers, architects, surveyors, attorneys, accountants, and other
- 34 consultants that are necessary or desired by the authority in
- 35 exercising its powers or carrying out its responsibilities under this
- 36 chapter.
- 37 (13) Appoint clerks, guards, laborers, and other employees the
- 38 development authority considers advisable.
- 39 (14) Prescribe the duties and regulate the compensation of
- 40 employees of the development authority.
- 41 (15) Provide a pension and retirement system for employees of
- 42 the development authority. **After June 30, 2014, a development**



1 authority that is eligible to participate in the public
 2 employees' retirement fund and elects to provide retirement,
 3 disability, and survivor benefits to employees eligible to
 4 become members of the public employees' retirement fund
 5 shall provide retirement, disability, and survivor benefits
 6 using the public employees' retirement fund for an individual
 7 who, after June 30, 2014, becomes a full-time employee in a
 8 position that is included in membership in the public
 9 employees' retirement fund under IC 5-10.3-7. The
 10 development authority may continue to provide after June 30,
 11 2014, a pension and retirement system established under this
 12 subdivision to employees and past employees who are
 13 participants in the pension and retirement system on July 1,
 14 2014. If the development authority discontinues the pension
 15 and retirement system established under this subdivision and
 16 in effect on July 1, 2014, the employees who were participants
 17 in the pension and retirement system and are employed in
 18 positions that are included in membership in the public
 19 employees' retirement fund shall become members of the
 20 public employees' retirement fund under conditions
 21 established by the board of trustees of the Indiana public
 22 retirement system.

23 (16) Discharge and appoint successors to employees of the
 24 development authority.

25 (17) Rent offices for use of the development authority or accept
 26 the use of offices furnished by a unit.

27 (18) Equip the offices of the development authority with the
 28 necessary furniture, furnishings, equipment, records, and supplies.

29 (19) Expend on behalf of the counties represented on the
 30 development authority all or any part of the money of the
 31 development authority.

32 (20) Design, order, contract for, construct, reconstruct, improve,
 33 or renovate the following:

34 (A) Local public improvements or structures that are necessary
 35 for the development of military base property.

36 (B) Any structure that enhances the development, economic
 37 development, or reuse of military base property.

38 (21) Accept loans, grants, and other forms of financial assistance
 39 from the federal government, the state government, a municipal
 40 corporation, a special taxing district, a foundation, or any other
 41 source.

42 (22) Provide financial assistance, in the manner that best serves



the purposes of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the state.

(23) Enter into contracts for providing police, fire protection, and utility services to the military base development area.

(24) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the development authority and the execution of the power of the development authority under this chapter.

(25) Adopt a seal.

(26) Take any action necessary to implement the purposes of the development authority.

SECTION 31. IC 36-8-10-12, AS AMENDED BY P.L.173-2007, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) **Subject to section 12.6 of this chapter**, the department and a trustee may establish and operate an actuarially sound pension trust as a retirement plan for the exclusive benefit of the employee beneficiaries. However, a department and a trustee may not establish or modify a retirement plan after June 30, 1989, without the approval of the county fiscal body which shall not reduce or diminish any benefits of the employee beneficiaries set forth in any retirement plan that was in effect on January 1, 1989.

(b) The normal retirement age may be earlier but not later than the age of seventy (70). However, the sheriff may retire an employee who is otherwise eligible for retirement if the board finds that the employee is not physically or mentally capable of performing the employee's duties.

(c) Joint contributions shall be made to the trust fund:

(1) either by:

(A) the department through a general appropriation provided to the department;

(B) a line item appropriation directly to the trust fund; or

(C) both; and

(2) by an employee beneficiary through authorized monthly deductions from the employee beneficiary's salary or wages.

However, the employer may pay all or a part of the contribution for the employee beneficiary.

Contributions through an appropriation are not required for plans established or modifications adopted after June 30, 1989, unless the establishment or modification is approved by the county fiscal body.

(d) For a county not having a consolidated city, the monthly



1 deductions from an employee beneficiary's wages for the trust fund
2 may not exceed six percent (6%) of the employee beneficiary's average
3 monthly wages. For a county having a consolidated city, the monthly
4 deductions from an employee beneficiary's wages for the trust fund
5 may not exceed seven percent (7%) of the employee beneficiary's
6 average monthly wages.

7 (e) The minimum annual contribution by the department must be
8 sufficient, as determined by the pension engineers, to prevent
9 deterioration in the actuarial status of the trust fund during that year. If
10 the department fails to make minimum contributions for three (3)
11 successive years, the pension trust terminates and the trust fund shall
12 be liquidated.

13 (f) If during liquidation all expenses of the pension trust are paid,
14 adequate provision must be made for continuing pension payments to
15 retired persons. Each employee beneficiary is entitled to receive the net
16 amount paid into the trust fund from the employee beneficiary's wages,
17 and any remaining sum shall be equitably divided among employee
18 beneficiaries in proportion to the net amount paid from their wages into
19 the trust fund.

20 (g) If a person ceases to be an employee beneficiary because of
21 death, disability, unemployment, retirement, or other reason, the
22 person, the person's beneficiary, or the person's estate is entitled to
23 receive at least the net amount paid into the trust fund from the person's
24 wages, either in a lump sum or monthly installments not less than the
25 person's pension amount.

26 (h) If an employee beneficiary is retired for old age, the employee
27 beneficiary is entitled to receive a monthly income in the proper
28 amount of the employee beneficiary's pension during the employee
29 beneficiary's lifetime.

30 (i) To be entitled to the full amount of the employee beneficiary's
31 pension classification, an employee beneficiary must have contributed
32 at least twenty (20) years of service to the department before
33 retirement. Otherwise, the employee beneficiary is entitled to receive
34 a pension proportional to the length of the employee beneficiary's
35 service.

36 (j) This subsection does not apply to a county that adopts an
37 ordinance under section 12.1 of this chapter. For an employee
38 beneficiary who retires before January 1, 1985, a monthly pension may
39 not exceed by more than twenty dollars (\$20) one-half (1/2) the amount
40 of the average monthly wage received during the highest paid five (5)
41 years before retirement. However, in counties where the fiscal body
42 approves the increases, the maximum monthly pension for an employee



beneficiary who retires after December 31, 1984, may be increased by no more or no less than two percent (2%) of that average monthly wage for each year of service over twenty (20) years to a maximum of seventy-four percent (74%) of that average monthly wage plus twenty dollars (\$20). For the purposes of determining the amount of an increase in the maximum monthly pension approved by the fiscal body for an employee beneficiary who retires after December 31, 1984, the fiscal body may determine that the employee beneficiary's years of service include the years of service with the sheriff's department that occurred before the effective date of the pension trust. For an employee beneficiary who retires after June 30, 1996, the average monthly wage used to determine the employee beneficiary's pension benefits may not exceed the monthly minimum salary that a full-time prosecuting attorney was entitled to be paid by the state at the time the employee beneficiary retires.

(k) The trust fund may not be commingled with other funds, except as provided in this chapter, and may be invested only in accordance with statutes for investment of trust funds, including other investments that are specifically designated in the trust agreement.

(l) The trustee receives and holds as trustee all money paid to it as trustee by the department, the employee beneficiaries, or by other persons for the uses stated in the trust agreement.

(m) The trustee shall engage pension engineers to supervise and assist in the technical operation of the pension trust in order that there is no deterioration in the actuarial status of the plan.

(n) Within ninety (90) days after the close of each fiscal year, the trustee, with the aid of the pension engineers, shall prepare and file an annual report with the department. The report must include the following:

- (1) Schedule 1. Receipts and disbursements.
- (2) Schedule 2. Assets of the pension trust listing investments by book value and current market value as of the end of the fiscal year.
- (3) Schedule 3. List of terminations, showing the cause and amount of refund.
- (4) Schedule 4. The application of actuarially computed "reserve factors" to the payroll data properly classified for the purpose of computing the reserve liability of the trust fund as of the end of the fiscal year.
- (5) Schedule 5. The application of actuarially computed "current liability factors" to the payroll data properly classified for the purpose of computing the liability of the trust fund as of the end



of the fiscal year.

(o) No part of the corpus or income of the trust fund may be used or diverted to any purpose other than the exclusive benefit of the members and the beneficiaries of the members.

SECTION 32. IC 36-8-10-12.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12.6. (a) Except as provided by subsection (b), after June 30, 2014, a county that:**

(1) is eligible to participate in the public employees' retirement fund; and

(2) elects to provide pension, disability, and survivor benefits to its eligible employees;

shall become a participant in the public employees' retirement fund as provided by IC 5-10.3-6.

(b) A county that established a pension trust as a retirement plan under section 12 of this chapter for its eligible employees before July 1, 2014, may continue to provide the pension trust after June 30, 2014, to the eligible employees who are employee beneficiaries of the pension trust on July 1, 2014.

(c) If a county described in subsection (b) discontinues after June 30, 2014, the pension trust established before July 1, 2014, the eligible employees who are employee beneficiaries of the pension trust shall become members of the public employees' retirement fund under conditions established by the board of trustees of the Indiana public retirement system.

SECTION 33. IC 36-8-10-15, AS AMENDED BY P.L.1-2010, SECTION 151, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15. (a) Subject to section 12.6 of this chapter,** the department may establish and operate a disability benefit program for the payment of disability expense reimbursement and pensions to employee beneficiaries with a disability. The department may provide these benefits by the creation of a reserve account, by obtaining disability insurance coverage, or both. However, the department may not establish or modify a disability benefit program after June 30, 1989, without the approval of the county fiscal body which shall not reduce or diminish any disability benefits set forth in any disability program that was in effect on January 1, 1989.

(b) Benefits payable as a result of line of duty activities, including a disability presumed incurred in the line of duty under IC 5-10-13, must be in reasonable amounts. Monthly benefits payable as a result of other activities may not exceed the amount of pension to which that employee beneficiary employed until normal retirement age would



1 have been entitled.

2 SECTION 34. IC 36-8-10-16, AS AMENDED BY P.L.42-2008,
 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 UPON PASSAGE]: Sec. 16. (a) **Subject to section 12.6 of this**
 5 **chapter**, the department may establish and operate a dependent's
 6 pension benefit for the payment of pensions to dependent parents,
 7 surviving spouses, and dependent children under eighteen (18) years
 8 of age of former employee beneficiaries. The department may provide
 9 these benefits by the creation of a reserve account, by obtaining
 10 appropriate insurance coverage, or both. However, the department may
 11 not establish or modify a dependent's pension benefit after June 30,
 12 1989, without the approval of the county fiscal body which shall not
 13 reduce or diminish any dependent's pension benefits that were in effect
 14 on January 1, 1989.

15 (b) This subsection applies to survivors of employee beneficiaries
 16 who:

- 17 (1) died before January 1, 1990; and
 - 18 (2) were covered by a benefit plan established under this section.
- 19 The maximum monthly pension payable to dependent parents or
 20 surviving spouses may not exceed two hundred dollars (\$200) per
 21 month during the parent's or the spouse's lifetime if the spouse did not
 22 remarry before September 1, 1984. If the surviving spouse remarried
 23 before September 1, 1984, benefits ceased on the date of remarriage.
 24 The maximum monthly pension payable to dependent children is thirty
 25 dollars (\$30) per child and ceases with the last payment before
 26 attaining eighteen (18) years of age.

27 (c) This subsection applies to survivors of employee beneficiaries
 28 who:

- 29 (1) died after December 31, 1989; and
 - 30 (2) were covered by a benefit plan established under this section.
- 31 The monthly pension payable to dependent parents or surviving
 32 spouses must be not less than two hundred dollars (\$200) for each
 33 month during the parent's or the spouse's lifetime. The monthly pension
 34 payable to each dependent child must be not less than thirty dollars
 35 (\$30) for each child and ceases with the last payment before attaining
 36 eighteen (18) years of age.

37 (d) The county fiscal body may by ordinance provide an increase in
 38 the monthly pension of survivors of employee beneficiaries who die
 39 before January 1, 1990. However, the monthly pension that is provided
 40 under this subsection may not exceed the monthly pension that is
 41 provided to survivors whose monthly pensions are determined under
 42 subsection (c).



(e) In order to be eligible for a benefit under this section, the surviving spouse of an employee beneficiary who dies after August 31, 1984, must have been married to the employee beneficiary at the time of the employee's retirement or death in service.

(f) In addition to, or instead of, a modification of a surviving spouse's monthly pension under this section, a county fiscal body may approve a cost of living payment to a surviving spouse under section 23 of this chapter.

SECTION 35. IC 36-8-10-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) The death benefit, the disability benefit, and the dependents' pension may be operated as one (1) fund, known as the police benefit fund, under the terms of a supplementary trust agreement between the department and the trustee for the exclusive benefit of employee beneficiaries and their dependents.

(b) The trustee receives and holds as trustee for the uses and purposes set out in the supplementary trust agreement all money paid to it as trustee by the department or by other persons.

(c) The trustee may, under the terms of the supplementary trust agreement, pay the necessary premiums for insurance, pay benefits, or pay both as provided by this chapter.

(d) The trustee shall hold, invest, and reinvest the police benefit fund in investments that are permitted by statute for the investment of trust funds and other investments that are specifically designated in the supplementary trust agreement.

(e) Within ninety (90) days after the close of the fiscal year, the trustee, with the assistance of the pension engineers, shall prepare and file with the department and the state insurance department a detailed annual report showing receipts, disbursements, and case histories, and making recommendations regarding the necessary contributions required to keep the program in operation. Contributions by the department shall be provided in the general appropriations to the department. However, these contributions are not required for plans established or modifications adopted after June 30, 1989, under sections 14 through 16 of this chapter unless the establishment or modification is approved by the county fiscal body.

(f) If, after June 30, 2014, a county discontinues a pension trust established under this chapter before July 1, 2014:

(1) the eligible employees who are employee beneficiaries of the pension trust shall become members of the public employees' retirement fund; and

(2) the county shall transfer the assets of the police benefit



1 **fund to the public employees' retirement fund;**
 2 **under conditions established by the board of trustees of the Indiana**
 3 **public retirement system.**

4 SECTION 36. IC 36-9-3-21 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. The authority
 6 shall deal with and enter into written contracts with its employees
 7 through accredited representatives of those employees or
 8 representatives of any labor organization authorized to act for those
 9 employees concerning wages, salaries, hours, **and** working conditions.
 10 **and pension or retirement provisions.**

11 SECTION 37. IC 36-9-3-23 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. An employee
 13 of the authority is entitled to at least the same worker's compensation,
 14 ~~pension~~, seniority, salary, wages, sick leave, vacation, health and
 15 welfare insurance, and other benefits that the employee enjoyed as an
 16 employee of the authority or of the public transportation agency before
 17 an action of the authority.

18 SECTION 38. IC 36-9-3-26 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) **Subject to**
 20 **section 26.5 of this chapter**, the authority may:

- 21 (1) establish and maintain systems of pensions and retirement
- 22 benefits for the officers and employees of the authority designated
- 23 or described by resolution of the authority;
- 24 (2) fix the classifications in those systems;
- 25 (3) take the steps necessary to provide that persons eligible for
- 26 admission to the pension systems as officers and employees of
- 27 any other public transportation employer whose operations are
- 28 financed in whole or in part by the authority retain eligibility for
- 29 admission to or continued coverage and participation under Title
- 30 II of the federal Social Security Act, as amended (42 U.S.C.
- 31 sections 401-422), and the related provisions of the Federal
- 32 Insurance Contributions Act, as amended (26 U.S.C. sections
- 33 3101-3125), or the federal Railroad Retirement Act (45 U.S.C.
- 34 sections 231-231t), as amended, and the related provisions of the
- 35 Railroad Retirement Tax Act, as amended (26 U.S.C. sections
- 36 3201-3233), whichever is applicable; and
- 37 (4) provide in connection with the pension systems a system of
- 38 benefits payable to the beneficiaries and dependents of any
- 39 participant in the pension systems after that participant's death,
- 40 whether or not the death is accidental or occurs in the
- 41 performance of duty, and subject to the exceptions, conditions,
- 42 restrictions, and classifications provided by resolution of the



1 authority.

2 (b) Pension systems established by the authority may be financed or
3 funded in a manner that the authority finds to be economically feasible.

4 SECTION 39. IC 36-9-3-26.5 IS ADDED TO THE INDIANA
5 CODE AS A NEW SECTION TO READ AS FOLLOWS
6 [EFFECTIVE UPON PASSAGE]: **Sec. 26.5. (a) This section applies**
7 **after June 30, 2014, to a county or municipality that:**

8 (1) is eligible to participate in the public employees'
9 retirement fund; and

10 (2) elects to provide retirement, disability, and survivor
11 benefits to employees of an authority eligible to become
12 members of the public employees' retirement fund.

13 (b) This section does not apply to or abrogate:

14 (1) a written contract in effect on July 1, 2014; or

15 (2) a contract assumed by the authority under section 27 of
16 this chapter and in effect on July 1, 2014.

17 (c) The authority shall provide retirement, disability, and
18 survivor benefits using the public employees' retirement fund for
19 an individual who, after June 30, 2014, becomes a full-time
20 employee of the authority in a position that is included in
21 membership in the public employees' retirement fund under
22 IC 5-10.3-7.

23 (d) The authority may continue to provide, after June 30, 2014,
24 a pension or retirement system:

25 (1) established under section 26 of this chapter; or

26 (2) assumed by the authority under section 27 of this chapter;
27 to employees and past employees who are participants in the
28 pension or retirement system on July 1, 2014.

29 (e) If the authority discontinues a pension or retirement system:

30 (1) established under section 26 of this chapter; or

31 (2) assumed under section 27 of this chapter;

32 and in effect on July 1, 2014, the employees who were participants
33 in the pension or retirement system and are employed in positions
34 that are included in membership in the public employees'
35 retirement fund shall become members of the public employees'
36 retirement fund under conditions established by the board of
37 trustees of the Indiana public retirement system.

38 SECTION 40. IC 36-9-3-27 IS AMENDED TO READ AS
39 FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 27. (a)** Whenever
40 the authority acquires the public transportation facilities of a public
41 transportation agency and operates those facilities, all employees
42 engaged in the operation of the facilities shall be transferred to and



1 appointed as employees of the authority, subject to all the rights and
 2 benefits of this chapter, and the authority shall assume and observe all
 3 current labor contracts and pension obligations.

4 (b) The authority must give the employees of any public
 5 transportation agency it acquires seniority credit, sick leave, vacation,
 6 insurance, and pension credits in accordance with the records or labor
 7 agreements from the acquired transportation agency. Members and
 8 beneficiaries of any pension or retirement system or other system of
 9 benefits established by the acquired transportation agency continue to
 10 have rights, privileges, benefits, obligations, and status under that
 11 system. The authority must assume the obligations of the acquired
 12 public transportation agency regarding wages, salaries, hours, working
 13 conditions, sick leave, health and welfare, and pension or retirement
 14 provisions for employees.

15 (c) The authority must assume the provisions of any collective
 16 bargaining agreement between a public transportation agency acquired
 17 by the authority and the representative of the employees of the acquired
 18 agency. The authority and the employees, through their representatives
 19 for collective bargaining purposes, may take whatever action is
 20 necessary to preserve the pension rights of the employees, including the
 21 transfer of pension trust funds under the joint control of the
 22 transportation agency and the participating employees through their
 23 representatives to the trust fund to be established, maintained, and
 24 administered jointly by the authority and the participating employees
 25 through their representatives.

26 **(d) After June 30, 2014, pension or retirement benefits involved**
 27 **in an acquisition or transfer under this section are subject to**
 28 **section 26.5 of this chapter.**

29 SECTION 41. IC 36-9-4-37 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37. (a) The board
 31 of directors of a public transportation corporation may appoint or
 32 employ a general manager, accountants, attorneys, traffic engineers,
 33 drivers, clerks, secretaries, guards, laborers, and other employees, and
 34 may prescribe and define their duties, regulate their compensation,
 35 discharge them, and appoint or employ their successors. Employees
 36 shall be selected without regard to race, religion, or any personal
 37 affiliation. The board shall select the general manager on the basis of
 38 **his the individual's** fitness for the position, taking into account **his the**
 39 **individual's** executive ability and **his** knowledge of and experience in
 40 the field of mass public transportation.

41 (b) The board shall bargain collectively and enter into written
 42 contracts with authorized labor organizations representing employees



1 other than executive, administrative, or professional personnel. These
2 contracts may provide for the binding arbitration of disputes, wages,
3 salaries, hours, working conditions, health and welfare, insurance,
4 vacations, holidays, sick leave, seniority, ~~pensions, retirement,~~ and
5 other benefits.

6 SECTION 42. **An emergency is declared for this act.**

